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Editorial AS WE SEE IT

For a good while past it has appeared that leading figures in the Washington Administration thought the best, perhaps the only feasible, inflation preventive was to be found in moral suasion, or possibly some other type of suasion from the powers that be. It is evident now that the President has come to the conclusion that some such tactic on his part is necessary at the present to head off price increases following higher wage payments and labor costs plus definite improvement in the general business situation—and, of course, the various plans, some of them to head off depression and encourage growth, that have been hatched out in Washington. There have been innumerable instances where the unions, following the success of the steel workers in 1959, have succeeded in fastening higher labor costs on producers of many sorts. To date, however, price increases have not been very marked if one may judge from the behavior of the price indexes.

But the snake in the steel industry was scotched, not killed by the various pressures that were brought to bear upon the industry last year and this. Now comes time for some of the added burdens of the 1959 settlement to be laid upon the industry, and there have been reports of higher steel prices to come. The President, when asked last week at his meeting with the press what ought to be done or could be done to prevent such a rise in prices, which by many are believed almost certain to "set the pattern" for other price increases throughout industry, replied as follows:

"Well, I am hopeful that the steel companies themselves will reach a conclusion that the October increase in wages can be absorbed without an increase in steel prices.

"The inflation which marked our economy before 1958 was, I think, tied very closely to the increases in steel prices. Since 1958 the steel prices have remained relatively stable. And it is a fact that during the same period, the cost of living has remained relatively stable. Now my economic advisers inform *(Continued on page 18)*

Key Factors Bound to Influence Mutual Funds' Investment Policies

By Andrew P. Ferretti,* *Economist, Keystone Custodian Funds, Inc., Boston, Mass.*

Economist depicts factors apt to influence portfolio selection and industry weighting by major mutual funds. Analysis takes in investment characteristics acceptable to most funds as well as the reasons for divergent opinions of investment merits by fund managements. Tabulation shows changes in attitude toward industry groups in the past 5-6 years. Comparison of a hypothetical "NYSE Fund" portfolio based on the "Big Board's" composition with the average position held by mutual funds reveals marked difference in holdings.

The investment companies' substantial position in our nation's savings stream is reflected in last year's sales of $1¼ billion and total asset values of $18.8 billion at the beginning of this year. Closed-end investment companies, which dominated the field in earlier years, have lost their position to the mutual funds, which now hold 95% of industry assets. Mutual funds number 288. About half of them are diversified common stock funds. The other half is made up of 43 balanced funds, 37 funds specializing in Canadian and foreign securities, 30 common stock funds investing exclusively in certain industries, and 27 income and bond funds. There are many variations in the investment objectives of these funds ranging from generous income to maximum capital growth.

Andrew P. Ferretti

From the point of view of asset values they break down this way (figures in billion of dollars):

Diversified common stock funds: $9.8; balanced funds: $4.5; industry specialized: $1.1; income: $1.1; bonds, preferred, foreigns: $0.6. This presentation is confined to 22 of the biggest funds—12 diversified common stock funds and 10 balanced funds. Although numerically they represent only 7½% of the industry, they hold 55% of all mutual fund net assets.

The two key factors in investment action are the selection of issues from within the various industry groups and the weighting of portfolio holdings by industry. Because of the massive statistical problems involved in analyzing the selection factor, our review concentrates on industry balance.

As of the end of 1960, there were marked differences in representation in the various industry groups. Oil representation ranged from 5% to 20% and utilities from 0% to well over 20%. There is also a broad range in banks, chemicals, drugs, office equipment, paper and steel. It is not at all unusual to find differences on the order of 5 percentage points even in the relatively smaller industry groups. These differences indicate that fund managements do not share a common view of the investment merits in each of these industries. They arise for reasons other than varying opinion on capital performance expectations. For instance:

(1) Investment objectives differ. Some funds concentrate on current income. These would find yields in electronics, drugs, chemicals, and office equipment too low to attract a major interest.

(2) Research departments have varying capabilities in coverage. Some funds are able to turn up special situations within an industry which will justify an attitude not supported by general industry economics.

(3) Size of the fund may have a bearing. Very large funds take positions in large companies, which are usually found in the heavily capitalized industries. It is not easy for them to arrange for a change in position heavy enough to affect proportions appreciably.

(4) Part of the difference is mechanical—industry classification concepts are not rigid. One fund may classify an electrical *(Continued on page 18)*

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 28.

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A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

DONALD C. SARIN

Analyst, Baker, Simonds & Co., Detroit, Mich.
Members New York Stock Exchange

Plough Incorporated

Most investors today, both individual and institutional, shy away from the fast-moving trading market; they seek instead superior long-term holdings for their portfolios. These situations are often called "growth" stocks. But the "growth" stock concept has become so nebulous that almost any issue given the proper build-up seems to be a "growth" stock. It is refreshing to find a company as **Plough, Inc.** that will fit any "growth" stock formula even on cursory observation.

Donald C. Sarin

History

In the past ten years Plough, Inc. has compiled a most enviable record. Per share earnings have quadrupled. Sales have tripled. Shareholders' equity and working capital have doubled. Cash dividends and cash flow have tripled. In fact, the company has increased its cash dividend every year for the past nine years.

All this has been accomplished by an energetic and crusading management reigned over by Abe Plough, company founder and President. Plough, Inc. is primarily a producer and distributor of proprietary drug items, such as St. Joseph's Aspirin and related products, Coppertone and Q. T. Tanning Lotions, Musterole, Mexsana, Paas Easter Egg Dye, and numerous other regional brand name favorites. The products are sold in the United States and 82 foreign countries.

The Household Products Division is a fast-developing newcomer to the Plough family. This division accounted for 15% of last year's total sales and was formed by the recent acquisitions of Southern Shellac, Webb Products, and Dix-Armstrong-Pontius. The latter is a well integrated manufacturer of "do-it-yourself" home products.

The company's merchandising ability is well regarded throughout the industry. In fact, sales of its promotional almanac to druggists were 8.5 million last year.

About 5% of the company's revenue comes from ownership of radio stations in Memphis, Chicago, Boston, Atlanta, and Baltimore.

New Products

Internal development of three new ethical drugs soon to be announced will mark Plough's initial sojourn into a highly competitive field. The company is aware of characteristic costs and problems, but feels confident it can glean a profitable share of market.

The company's sales growth has been at a 12.4% compound rate and should top $50 million this year. The three acquisitions mentioned above and the research and development incident with start-up of the new ethical products has only slightly diminished Plough's growth rate. Pre-tax profit margins remain at a 12% average. Net earnings per share have increased at a remarkable 18% annual compound rate despite the fact that most acquisitions have been for stock.

Future

I expect Plough, Inc. to continue its impressive record. The Household Products Division should reach fully integrated potential in 1962. Some profits from the new ethical line should be forthcoming. Significant also is the fact that many of Plough's proprietary items are regional. Currently, national distribution and advertising of these items is underway. A strong cash position can supplement stock in the mechanics of future acquisitions. Present plant facility can handle a 50% increase in sales.

Plough's common stock is traded on the New York Stock Exchange. Sole capitalization is 1.3 million shares. Over half of the shares are closely held in continuous portfolios. At current levels, the stock attracts long-term investors seeking potential capital gains.

GALE P. WAIT

Analyst, McCarley & Co., Inc., Asheville, N. C.
Members New York Stock Exchange

Interstate Bakeries Corporation

Now that the market is beginning to show promise of another upward move, many investors are looking for growth securities that offer substantial appreciation. From the performance of a number of these stocks during the last two months, however, we have seen that quite a few of the issues which sold at high price-earnings ratios in April and May registered sharp drops in June and July. With this in mind, the old axiom of buying common shares at a low ratio of price to earnings becomes all the more significant. Rapid growth of capital is always enchanting, but a favorably priced stock producing a generous yield, well covered by earnings, will always be a prime objective in a true investor's search for value.

Gale P. Wait

Where can we find these rare opportunities? Unfortunately, they are all too few in number. Here is one, however, that merits the consideration of the investor, and perhaps the attention of others who look for shorter term profits: The common shares of INTERSTATE BAKERIES CORPORATION. This company, incorporated in 1937, has grown to be the fifth largest in sales among commercial bakeries. The expansion has been realized largely out of internal financing — INTERSTATE has spent over $40,000,000 on fixed assets, while their long term debt was increased by only about $3,500,000. The average price of the common in 1950 was about $6.50 per share, although ten years later it ranged between $28 and $37, taking into account stock dividends declared in the past decade. Today's price of about $34 is just ten times the 1960 per share earnings of $3.41, and recent expansion should produce better earnings in the years just ahead. Last year the company established a new plant in Denver, Colo., and heavy expenses were incurred in developing new markets in eastern Pennsylvania.

Even though more than $6,000,000 was spent for improvements in 1960, the financial position of the company is sound. At the close of last year, cash and governments totaled $5,167,000, not much below total current liabilities of $5,990,000; the current ratio was slightly better than 2-to-1. Total assets of the company were $44,518,000 at 1960 year-end, balanced by $5,990,000 in current liabilities, $8,206,000 of long term debt, $7,491,000 of 4.80% cumulative preferred stock, $988,000 of common stock (valued at par $1 per share), and $21,843,000 of paid-in capital and retained earnings.

While competition in the baking industry is extremely keen and profit margins low, this climate can produce aggressive, money-making enterprises. Food Fair and Safeway Stores certainly have this same problem in an allied field and yet their growth records are enviable. In looking at INTERSTATE's operating income as a percent of sales over the past ten years, the company has outperformed American, Continental and General Baking, its strong competitors. In every year since 1950 with the exception of last year when an extraordinary amount was spent for expansion, INTERSTATE has returned an operating income that equalled or exceeded 9% of sales—In 1960, this figure dropped to 7.8%, but it is expected that this figure will return to a higher level in the near-term. INTERSTATE has also followed a low inventory policy, always well below that of the competitors mentioned above — these companies have maintained inventories ranging in value from 3 to 5% of annual sales, while INTERSTATE has operated at a very effective 1.9% average in recent years, a most important factor in perishable finished products.

While giving much attention to continued growth, INTERSTATE'S management has also concentrated on new products and processes. The product research and engineering department is responsible for developing equipment and methods that provide better product quality, taste and flavor, as well as "keepability." The company also recently started a management development program aimed at improving the effectiveness of present personnel, and at the same time attracting well qualified people to the organization.

INTERSTATE'S expanding markets have provided a handsome return for its stockholders—dividends have been increased seven times in the past 10 years, and the present per share rate of $1.60, which is extremely well covered, is nearly four times the 1950 payout of 42 cents. While there has been no volatile performance in the common shares, the steady, upward growth pattern has been admirable. Recently, with the heavy emphasis that has been placed on glamour issues, INTERSTATE has been overlooked. At today's price of about $34 where can a prudent investor find an equity with a better combination of income, growth potential, and safety of capital?

(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

This Week's Forum Participants and Their Selections

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Interstate Bakeries Corporation— Gale P. Wait, Analyst, McCarley & Co., Inc., Asheville, North Carolina. (Page 2)

Percentage Depletion for Oil Is No Tax Loophole

By Richard J. Gonzales,* *Director, Humble Oil & Refining Company, New York City*

Mr. Gonzales' answers to criticisms made against percentage depletion is primarily based on the peculiarities of oil and gas exploration and production which are said to be absent in the general run of non-mining ventures. Other practical considerations reviewed are the contributions of oil to national defense, the self-defeating inequity of income tax imposition upon oil and gas, and the anticipated growth requirements which should not be ignored because of present excess capacity. Mr. Gonzales replies to proposals for graduate percentage depletion and discrimination against foreign production, and denies increased tax revenues would result — in fact, the contrary — from proposed changes to existing differential petroleum taxation. The theoretical arguments, he warns, have no practical validity and if accepted would have far-reaching adverse consequences upon consumers, investors and the nation as a whole.

In the world of economic theory, the free market reigns supreme in determining the output of goods and services. No value judgments other than those of consumers are allowed to influence the system. If consumers prefer entertainment to education or cosmetics to medical care, the market responds to these choices without any interference from government. In such a theoretical world, the role of government would be almost negligible, taxes would be very low, and the impact of taxation on economic activity could be ignored for all practical purposes.

Richard J. Gonzalez

For better or for worse, our modern world has long since ceased to bear much resemblance to the classical economic model. Even in activities which can be provided by private enterprise, such as education, the public has chosen to overrule consumer choices by means of taxation. Industrialization, the concentration of people in urban centers, the high cost of national defense in an age of atomic bombs and international tensions, and many other changes have increased the role of government to a degree that can neither be ignored nor reversed. Government activities inevitably alter the operation of the economy, for otherwise there would be no reason to deprive consumers of direct control over the disposition of all their income. In the United States, government now affects economic activity to a substantial degree. The entire system of taxation must be considered carefully in an effort to see that it interferes as little as possible with progress and with the goals of the economy. Most economists would agree on this point. A wide divergence of opinion develops, however, as to how revenues should be raised in order to promote the public welfare. These differences are influenced particularly by personal judgments as to what constitutes equity, as to what the goals of the economy should be, and as to how taxes actually affect production and consumption.

Our economic system is so complex that no one can be sure what effect current taxation now has on various activities or what changes would result from modifications of the tax structure. Wide differences of opinion exist as to the actual incidence and subsequent effect of various taxes. Despite the obvious difficulties inherent in an analysis of taxation, the subject is of sufficient importance to require attention. Concern about the level of taxation and the possible effect of the present system on economic growth has stimulated discussion of the Federal tax system in recent years. To serve any useful purpose, this discussion should evaluate specific taxes or provisions in the light of the tax structure as a whole and of current economic conditions in the modern world. This evaluation requires consideration of the practical aspects of the impact of taxation rather than abstract theoretical speculations. The conclusions drawn from theoretical models will not be correct unless the assumptions made are closely in keeping with economic reality. After a brief discussion of some theoretical views of taxation, the remainder of this discussion will deal with practical considerations pertinent to an evaluation of percentage depletion.

Theoretical Views of Taxation

Assuming that government activities have no effect on the spending pattern of consumers, contrary to fact a theoretical tax system can be visualized that would approximate the results of a completely free market. Such a system would achieve the same pattern of economic activity in the private sector that would prevail in the absence of taxation. According to this theory, a neutral tax system would result in the same **relative consumption** of goods and services in the private sector that would prevail in the absence of taxation, although the **total consumption** of each item would be reduced by the same percentage of national product collected in taxes. It should be noted, however, that even this system would actually produce different results from those of the

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OBSERVATIONS...

BY A. WILFRED MAY

NOT NOUVEAU POOR

Hardly was the ink dry on the Alliance for Progress agreement signed at Punta del Este, Uruguay, in late July, with the coupling of Treasury Secretary Dillon's promised twenty billions of aid with the recipient countries' economic stabilization, when one of the chief signatories, President Frondizi of Argentina, became a kidnapping victim, and its fellow signatory Brazil got immersed in civil warfare. Already since the resignation of President Quadros, termed "Brazil's Puncture" by the London "Economist," the Brazilian cruzeiro has declined by over 15%, to 300 to the dollar.

While these timely and sensational events disillusionarily dramatize to our public the absurdity of expecting economic or political balance over the next decade, this had been apparent to any realistic observer for some time.

Earlier this year, before the exit of President Quadros, the cruzeiro had been devalued no less than three times, continuing its declining value since 1951. The value of the dollar as Franz Pick points out in the newly issued seventh annual edition of his *Currency Yearbook*, over the past decade the Black Market price of the dollar in Rio and Sao Paulo has increased ninefold, and gold has risen by 521%.

Similarly, as the Pick bible shows, the Argentine Peso fell by 80%. We recall that President Frondizi when pressed at an interview here shortly after his inauguration in February, 1958, for a terminal date of his country's inflation course, wisely refused to go further than the "soon as possible" promise.

Among the nations whose currencies dropped to all time lows last year were Brazil, Colombia, Cuba, El Salvador, Nicaragua, and Venezuela.

Brazil was in trouble all through the 1950's. Giving up on its usual mission to bring about some modicum of fiscal reform, the World Bank actually closed down its office for three years in the late fifties. Since then the cost of living rose by another 50% in 1959 and 30% in 1960.

Despite the complaints of pre-Dillon "niggardliness," outstanding credits to Brazil include $530 million from the Export-Import Bank and $35 million direct from the U. S. Treasury; also $200 million each from the World Bank and the International Monetary Fund. U. S. private investments there total some two and a quarter billion.

"Alliance" for Inflation?

Also wholly apart from Brazil's current political emergency, the Alliance for Progress affords little hope for permanent fiscal reform. This prospect, including the other Latin American countries as well, seemed to have been underlined, unwittingly, by Felipe Herrera, President of the Inter-American Development Bank, in addressing the Overseas Press Club in New York last week. Mr. Herrera, whose Bank will be administering about one-sixth of the Alliance foreign aid funds, while paying obesiance to the need for "trade stability," offered no assurance concerning the curtailment of inflation. In fact, consistent with the *Growth-Inflationists* here, a la Messrs. Heller, Hansen, et al, he reiterated as a major "Progress" plank "the need for a minimum per capita growth rate of 2.5% per year."

* * *

FROM OUR MAIL BOX

On That "Scarcity Value"

Our column (of July 20 last) to which the following communication refers, warned that "scarcity" of available stock issues, to which the present securities boom, particularly in the "hot issues," is being attributed in some high places, typifies the rationalization of past major excesses. These ranged from Holland's Tulipomania in 1694 to under-water Florida real estate in the nineteen-twenties to modern art. We adduced data on recent and current new stock offerings showing the ample supply of available equities to meet normal demand.

Dear Mr. May:

Your comments on "scarcity value of tulips, art and stocks" is timely and could be amplified. If there is a scarcity, it was caused by psychological processes that you mentioned, and the matter should be appraised from that view point.

In the past decade a tremendous compaign was waged to sell stocks to the public. It was broad, intensive and successful. The number of shareholders more than doubled, causing scarcities of popular issues, despite the large additions of supply. The prices inevitably rose and the current problem is not the shortage but that intensive selling caused overbuying, and many new stockholders own shares that they should not own—certainly not at the prices they paid for them. We now have a top-heavy structure that needs attention and correction before it corrects itself by a natural process of painful deflation.

The development was a logical sequence of events. The post 1929 depression and war market produced timidity which kept stocks at reasonable levels until the post war years, when a strong upsurge of the entire economy, with a good dose of inflation, sent the values upwards giving handsome profits to stockowners indiscriminately. This whetted the public appetite and provided excellent talking points for the investment dealers in their sales efforts. The stocks practically sold themselves in the prevailing prosperity.

The favorable atmosphere stimulated an expansion of sales effort and multiplied sales organizations. The New York Stock Exchange member firms alone increased their sales force by 140% in the past decade. The broker-dealers proliferated and literally blanketed the country. The conservative old-line professionals became a minority among a horde of enthusiastic dilettantes who sold aggressively in an enlarged area.

Results Phenomenal

The results were phenomenal—probably ten million new stockholders from all walks of life were added to the lists. Where formerly only a small wealthy segment of the population owned stocks, suddenly the distribution reached many people, even those with a few thousand dollars, Truly, an era of people's capitalism has been achieved.

Unfortunately, there is another side to this pleasant picture. The not too well informed new salesmen sold stock to even less informed individuals at prices which, in many instances, were entirely out of line with economic values. Many of the new investors have accepted rather naive ideas as to what the stocks will do for them as investments. They do not know and were not told of the risks involved in owning equity issues in a competitive free enterprise system. Few of them realize the fluidity of this economy and its constant ups and downs among industries and companies.

Nobody ventured to say, for instance, that of 1,000 or so of electronic companies now publicly owned, at least one-half will not exist some years hence. There were 200 automobile companies; now there are five. There is no full comprehension of the innate instability of small companies in new fields where temporary conditions such as a new product can create a profitable pocket of opportunity which, however, is quickly overrun by competition, or replaced by a newer development. Every month about 15,000 new corporations are formed in this country and about as many cease to exist—some 1,500 of them by bankruptcy. The growth of profits is not permanent or guaranteed—in fact, as a general rule, there is more loss than profit in new ventures, even in periods of prosperity.

If these observations are correct, it means that the stockholders will have to learn, sooner or later, the facts of life with some reduction of their hopes, and at the expense of loss of values. Instead of thinking of scarcities of stocks, we should be concerned with the education of the public. The scarcity can become oversupply by a slight change in attitudes. There is no easy road to riches through stock ownership.

MILAN D. POPOVIC

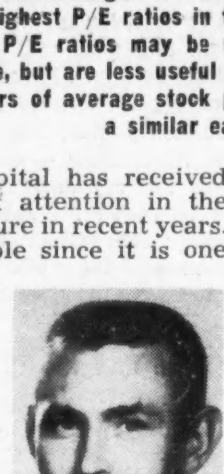
Pres., Blue Ridge Mutual Fund, Inc., New York City.

The Price-Earnings Ratio: A Whimsical Variable

By Oswald D. Bowlin, *Associate Professor of Finance, Kansas State University, Manhattan, Kansas*

Professor Bowlin's succinct analysis of price-earnings ratio for Moody's stock averages covers the period 1929-1959. He observes that changes in earnings dominated P/E in the 1930's whereas prices dominated ratio changes in the 1950's, and that the thirties contained the highest P/E ratios in the 30 year period. The writer concludes that P/E ratios may be useful in comparing stocks at one point in time, but are less useful over a period of time, and that the last ten years of average stock price rise was not accompanied by a similar earnings-trend.

The cost of capital has received a great deal of attention in the financial literature in recent years. This is justifiable since it is one of the important factors that set the limit to profitable investment on the part of business firms. One part of the cost of capital is the cost of common stock financing, usually measured by relating the market price of the common stock to earnings, dividends or a combination of the two.



Oswald D. Bowlin

Investors as well as corporation financial managers are interested in the relation between market prices of common stocks and their return. Assuming that everything else is the same, an investor will prefer a security with a high yield. However, a common stock with a low price-earnings ratio and a high yield compared to those of other stocks at any one time is thought to indicate possibilities of risks since the market, for one reason or the other, has not found the security attractive. Conversely, a relatively high price-earnings ratio and low yield is usually taken to mean that the market has found the stock relatively attractive. The investor may or may not accept the market's verdict in respect to the company's prospects, but if he doesn't he at least knows that his opinion should be supported by a very thorough investigation and analysis.

The usefulness of the price-earnings ratio as a tool for the analyst depends upon how it is to be used. As indicated above it can be very helpful when used in comparing stocks of different companies at any one point in time. Over a period of time, however, the ratio is a very capricious variable, and considerable care is required if it is to be used in analysis. The price-earnings ratio will vary, of course, when any one or both of its elements vary unless they happen to move in the same direction by the same proportionate amount.

Although prospective earnings frequently enter into theoretical analyses, any attempt at empirical measurement of earnings ordinarily requires heavy reliance on past data. Since stock prices are determined primarily by how people feel about the future, considerable instability has resulted in computed price-earnings ratios. In the following table average annual price-earnings ratios, market prices and earnings per share of the 125 corporations included in Moody's industrial stock averages are shown for the period 1929 through 1959.

Year	Price-Earns. Ratio	Market Price	Earnings Per Share
1929	16.28	65.45	4.02
1930	22.09	49.26	2.23
1931	35.28	29.99	0.85
1932	----	15.43	0.02
1933	35.98	22.31	0.62
1934	26.47	26.47	1.00
1935	18.35	30.09	1.64
1936	17.03	42.40	2.49
1937	14.70	42.04	2.86
1938	22.78	32.35	1.42
1939	15.72	34.12	2.17
1940	12.26	31.76	2.59
1941	9.73	28.70	2.95
1942	10.89	25.70	2.36
1943	14.24	34.18	2.40
1944	13.40	36.57	2.73
1945	16.15	43.94	2.72
1946	14.12	49.84	3.53
1947	8.67	46.10	5.32
1948	6.76	47.50	7.03
1949	7.10	46.88	6.60
1950	6.84	57.83	8.45
1951	9.60	70.72	7.37
1952	10.53	75.63	7.18
1953	9.86	76.05	7.71
1954	11.43	95.81	8.38
1955	12.43	130.66	10.51
1956	14.44	149.41	10.35
1957	13.99	143.65	10.27
1958	18.03	149.81	8.31
1959	18.91	186.26	9.85

Stock Prices and Price-Earnings Ratios, 1929-59

The table shows that the average annual common stock prices and price-earnings ratios of the 125 corporations declined in the same year in only five years (1937, '40, '41, '47, '57) and rose together in nine (1943, '45, '51, '52, '54, '55, '56, '58, '59); thus, in 16 of

the 30 years that can be checked from 1929-59, the two variables moved in opposite directions. It should be noted, however, that the two variables moved in the same direction in only one year (1937) in the decade of the thirties, in five years (namely 1940, '41, '43, '45, '47) in the forties and in eight years (namely 1951, '52, '54, '55, '56, '57, '58, '59) in the fifties. This brings out the point that in the thirties movements in price-earnings ratios were dominated by changes in earnings, whereas by the fifties stock price movements dominated changes in the ratio. Investor confidence (as measured by stock prices) was more stable than earnings during the early decade, but during the fifties the surge of investor confidence (or perhaps fear of inflation) was usually greater than changes in earnings.

The volatility of earnings during the thirties caused Moody's average price-earnings ratios of 125 industrial corporations to be extremely erratic. Stock prices were low in this decade, but price-earnings ratios as they were computed were the highest of any during the entire 30-year period. The price-earnings ratio as it was computed certainly could not have been used as a guide for the corporation or the investor since it would have been a good time to have invested in common stocks but a very poor time to have sought external equity capital.

Prices and Earnings, 1929-59

Two points are of interest here in examining the relationship between the stock prices and earnings per share for the sample of corporations shown in the table: (1) the direction of movement of the two variables over the period 1929 to 1959, and (2) the lead-lag relationship of the two variables over time. The table indicates that the average market price increased in 19 years and declined in 12; this includes an increase of four cents in 1943 and declines of one cent, sixteen cents and eight cents in 1945, 1956 and 1957 respectively. From 1929 through 1942 the average stock price declined eight years, but from 1943 through 1959 there were only three declines. Earnings per share declined five times in the earlier period (13 years) and seven years in the latter period (17 years). The latter period includes the four years mentioned above when earnings changes were very small. Nevertheless, the table indicates that while the number of upward movements in average prices from one year to the next have increased substantially as a percentage of the total during the latter part of the 30-year period, changes in direction of average earnings per share did not show a pronounced trend.

Over the entire period under study prices and earnings per share moved in the same direction in 21 years; they increased together in 14 years and declined together in seven. In five of the nine years in which the two variables moved in opposite directions from the previous year's level, market prices had a lead of one year; that is, in the following year after the two moved inversely, earnings moved in the same direction as prices of the previous year. The relationship between the movements of stock prices and earnings per share was much closer in the 1930s than it has been since. Only in 1937 did the two variables move in opposite directions in the early decade whereas they moved in opposite directions in four years during the fifties.

Summary

The data brought out above can be summarized as follows:

(1) Although the price-earnings ratio as it is usually computed may be of considerable use in comparing what the market thinks of two or more stocks at one point in time, it is of much less use in comparisons over time.

(2) Computed price-earnings ratios were very erratic in the thirties primarily because of the instability of earnings during the period.

(3) In the forties computed price-earnings ratios fluctuated in response to changes in prices and earnings about equally.

(4) In the fifties the ratio moved generally upward due primarily to the rapid advances in stock prices.

(5) The number of years in which average stock prices rose greatly increased in the last ten years of the period 1929-59. Movements in earnings per share on the other hand demonstrated no such tendency.

Mayo-Smith V.-P. Of G. H. Walker

The appointment of Worthington Mayo-Smith as a Vice-President of G. H. Walker & Co. Incorporated, underwriters and distributors of investment securities, 45 Wall Street, N. Y., has been announced. Mr. Mayo-Smith will be in charge of sales for the firm's New York area offices which, in addition to New York City, are located in Bridgeport, Waterbury and Hartford, Conn.; Philadelphia, Pa. and White Plains, N. Y.

G. H. Walker & Co. Incorporated is the corporate affiliate of G. H. Walker & Co., members of the New York and Midwest Stock Exchanges and associate members of the American Stock Exchange.

Formerly associated with Blair & Co. Incorporated, Mr. Mayo-Smith is a graduate of Amherst College, Class of 1949; the Harvard Business School, 1951, and served with the Air Force as a bombardier - navigator during World War II.

He is a member of the Bond Club of New York and was president of the Investment Association of New York in 1959.

Joins Jaffe, Lewis

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Sanford W. Greenberger has joined the staff of Jaffe, Lewis & Co., 5 Bulkley Building Arcade, members of the Midwest Stock Exchange.

Whither Construction?

By James R. Price,* *Chairman of the Board, National Home Corporation, Lafayette, Ind.*

Forecast of over-all construction for this year's last half envisions a performance approximately equal to last year's comparable period. Each principal component is appraised separately. Public construction takes the honors with all segments doing as well as last year or better except residential building.

During the first six months of 1961 the trend in the level of general business was reversed. At the present writing, however, the upturn has not yet brought business activity up even with 1960. The supply-and-demand situation in virtually all categories of real property has seen the further completion of surplus space, especially in the commercial and residential fields.

James R. Price

As we view the background situation in the middle of 1961, we note a sharp decrease in the rate-of-climb statistics covering urban population growth. In most manufacturing industry there is presently no background of unfilled demand which would require additional capacity. Notwithstanding these facts, there is evidence that demand is high for additional professional, institutional and governmental facilities. Private residential construction during the first six months will be off somewhat more than our original estimate. In most urban areas the size of the housing surplus at this writing is greater than it was on Dec. 31, 1960. In spite of the pressure of government stimulation, we do not believe that the nation's housing markets will support residential construction at an accelerated rate. Vacancy in this type of accommodations is higher and rents are weaker. Moreover, sharp increases in local taxes are operating to reduce potential residential income property earnings.

Industrial construction designed to provide new capacity is certain to be lower than it was in the last six months of 1960. New industrial construction designed to accommodate new techniques will be somewhat higher due to competitive pressures for more efficient production. Expansion in the major growth areas of the nation will call for additional capacity to serve specific markets.

Commercial construction is, in our opinion, enjoying what appears to be a terminal bulge in the current cycle. More and more cities have built their way into a surplus of office space and the retail merchandising industry is gradually approaching a saturation point in the number of outlets available to serve the consuming public.

Public Construction

Public building amounts to approximately one-third of all new construction in normal areas. Activities on the New Frontier, as well as those originated by state and local governments, indicate that there will be an expansion in this segment during the last six months of the year. The whole field of urban renewal is scheduled for a sharp increase.

Repairs and maintenance expenditures, which aggregate approximately one-fourth of all construction activity, will continue to hold about level. The decrease in consumer spending for upgrading repairs will be more than offset by the forced increase in expenditures to be made by income properties whose renting problems require more aggressive merchandising.

Combining these observations into a specific forecast for the last six months of 1961 compared with the same period for 1960, we would expect the following results:

(1) Residential building will continue to be down 5% in unit starts — somewhat less in dollar volume.

(2) Commercial building will be unchanged although new projects undertaken in the last six months will show some decline.

(3) Industrial building will hold approximately level with last year's comparatively poor showing.

(4) Institutional building — as the result of various aid programs — will increase approximately 2%.

(5) Repairs and maintenance will hold even with 1960's last six months.

(6) Public construction will be up 7.9%.

In summary, this forecast adds up to a gross construction record approximately equal to the performance of the industry in the last six months of 1960. The construction industry as a whole in the postwar period has behaved much more favorably than the total industrial factor of the economy. Inasmuch as it did not have a recession, we do not look for any strong expansion trend in the last half of 1961.

*A statement by Mr. Price at the "Business Outlook for the Last Six Months of 1961" seminar sponsored by the First National Bank of Chicago.

Zarlenga Partner Of S. M. Peck

S. M. Peck & Co., 120 Broadway, New York City, members of the New York Stock Exchange, have announced that Henry J. Zarlenga has become a member of the Exchange and has been admitted to the firm as a General Partner.

Eisenberg With Sutro Bros. Co.

Albert J. Eisenberg has become associated with Sutro Bros. & Co., 80 Pine Street, New York City, members of the New York Stock Exchange, as General Manager of operations.

A. G. Becker Names Judy V.-P.

CHICAGO, Ill.—A. G. Becker & Co. Incorporated, 120 South La Salle Street, member of the New York and Midwest Stock Exchanges, have announced the election of Paul R. Judy as a Vice-President.

Form Thompson & Thompson Company

(Special to THE FINANCIAL CHRONICLE)

CHULA VISTA, Calif.—Thompson & Thompson Company is engaging in a securities business from offices at 164 Murray Street. Partners are Lewis E. Thompson, Jr., and Anna H. Thompson.

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

Labor Day usually ushers in the quietest respite from active business known to municipal bond people. The holiday aspect of the period precludes the advent of important new issue flotation and the vacation aspect of the period reduces secondary market activity to a standstill. Labor Day, it might seem to most of us, is the most over-rated of holidays that continues on our calendar. Actually it brings no profound joy to anyone; it marks the end of summer freedom for most of the youngsters; it terminates most of the vacation periods for those who work or labor and usually overplay within a brief fortnight. And generally, although it marks the end of the summer era, the day portends none of the hope inherent in New Year's Day nor the sublimity of Eastertide nor the enthusiasm and flamboyance of the Fourth or even the quiet humility of Thanksgiving Day.

Let's all face it; it's an inert sort of celebration usually bathed in sweat and tears. The only figurative blood shed, to complete the paraphrase, is inferred by the politico bleeding hearts who annually kid the hard working man about the gains of labor without being called to accurately account. The day is neither holy nor gala and might well be soft pedalled in the interests of national physical fitness. The payment of time and a half or double time might help in the transition.

A Dull Season

I know that we speak for most of the people involved in the state and municipal bond business in this good natured jab at Labor Day. They all, with few exceptions, hasten back tanned and haggard, to conscientiously present themselves at the office early Tuesday morning perennially finding that nobody really cares. Frequently reintroductions are in order. In the course of the day, some historically minded associate vocally recalls that the week after Labor Day never generated any important business activity and that, even the middle of the month of September, although mayhaps some new issues had meanwhile appeared, seldom witnessed the investor in other than a passive or indifferent attitude toward current offerings.

The current early September period seems not likely to be exceptional. Monday was quiet excepting for the dull speeches and the reported nuclear rumblings from within Russia. Tuesday was desperately quiet within the bond underwriting industry and so was Wednesday. Even the *Blue List* crowd reported a quiet day.

Yield Index Steady

But there was lots of time for conversation among bond men, thoughtful or otherwise, and most of this talk seemed more hopeful than it had lately been despite the portentous factors that continue to loom as negative bond market influences. Although the *Commercial and Financial Chronicle's* high grade 20-year bond yield Index indicated a slight market decline during the past weekly period (as did other bond yield indexes over approximately the same period), there existed a market tone undeniably more optimistic than has persisted during the late August period. Today's slightly increased average yield index is convincingly explained away by the fact that certain actual offerings, components of our weekly Index, had been coincidentally offered down, in order to effect more expedient sale. This sort of thing occasionally happens and is alluded to as price index lag. It is normally washed out one way or another within a weekly period.

The *Chronicle's* high grade 20-year general obligation bond yield Index averages at 3.415% as of Sept. 6. A week ago the average was 3.407%. This slight variation is hardly worth further comment as it almost certainly doesn't involve more than price adjustment. The trend may be to higher yields but present market factors would not indicate anything more than a possible tendency in that direction.

Prospective Business Light

The new issue calendar continues to be moderately full but certainly not crowded. For the next 30 days, new issues scheduled total about $550,000,000. Within this same period there would appear to be no important negotiated type offerings being readied for public offering. The volume of new issue offerings is likely to continue at above the ½ billion dollar level for some time to come.

With the scheduling of large new issues now a matter of thoughtful cooperation as between issuers, and with official monetary policy sensitive and flexible to the needs of the bond market, the period ahead would seem to demand nothing more from underwriters than that they be reasonably sensitive to investment habits and requirements. There has been some lack of liaison in this latter respect during 1961 which has been more costly to the underwriters than reason should support.

The inventory situation as portrayed by the *Blue List* shows some improvement over a week ago. The total has varied as between $375,000,000 and $510,000,000 since early summer. At this writing, it is reported to be $391,686,000. This total seems presently favorable to the market and might tend to encourage dealers in their bidding in the near term.

Recent Awards

This week from an underwriting viewpoint was exceptionally quiet due to the holiday, but several of the smaller issues which came to market are worth commenting on. On Thursday, Aug. 31, the week's largest issue, $6,930,000 Rochester, New York various general obligation (1962-1973) bonds, were awarded to the syndicate managed jointly by the Morgan Guaranty Trust Company of New York and the Chemical Bank New York Trust Company and including C. J. Devine & Co., The Philadelphia National Bank, Wertheim & Co., Tucker, Anthony & R. L. Day, and several others. This "Aaa" rated issue was reoffered to yield from 1.50% to 2.90% for a 2¾% coupon. The unsold balance at this writing is $2,525,000 bonds.

Also on Aug. 31, $5,000,000 Fort Lauderdale, Florida Excise Tax (1962-1990) revenue bonds attracted five bids and were awarded to the account headed by Halsey, Stuart & Co., Inc. and Shields & Co. and including Harriman Ripley & Co., Eastman Dillon, Union Securities & Co., Ira Haupt & Co., Francis I. duPont & Co., Pierce, Carrison, Wulbern, Inc., and others. This account bid an interest cost of 3.876% which was about eight basis points higher than the second bidder. The bonds were scaled from 2.00% in 1962 to 3.95% in 1990.

Proceeds from the bond issue will be used for various public improvements including the construction of a baseball stadium, sewers, and bridges. The bonds are payable from local cigarette taxes; franchise taxes paid by the Florida Power & Light Company and the utilities services taxes. Although initial interest in the issue was slow in generating, sales from the account have picked up and the balance at present time was $2,706,000.

On Wednesday, Sept. 6, El Paso County, Texas came to market with $1,750,000 limited tax (1962-1981) bonds. The syndicate headed by the First National Bank in Dallas and Merrill Lynch, Pierce, Fenner & Smith Inc. was the successful bidder for the issue. Funds received from the bond sale will be used to construct a 30,000 seat football stadium in one of the county parks. The reoffering scale carried yields from 1.80% to 3.70%. No balance is available at this writing.

Also on Wednesday, East Haven, Connecticut sought bids on $2,935,000 various general obligation (1962-1981) bonds. The group managed jointly by the Harris Trust & Savings Bank and Shearson, Hammill & Co. and including Blair & Co., G. H. Walker & Co., R. D. White & Co., and others, was awarded the bonds. The issue was priced to yield from 1.80% to 3.70%, for a 3.60% coupon. After the initial order period, $1,100,000 of the bonds were spoken for.

Toll Bonds Firm

The turnpike and other term revenue issues have been quoted slightly better during the last few days. On Aug. 31, the last averaging date, the *Smith, Barney & Co.* Turnpike bond Index showed a yield of 3.88%. The previous week's yield was 3.86%. This indicated average decline of about ¼ point has probably been regained since Aug. 31.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978–1980	3.85%	3.70%
Connecticut (State)	3¾%	1980–1982	3.45%	3.35%
New Jersey Highway Auth., Gtd.	3%	1978–1980	3.50%	3.35%
New York (State)	3%	1978–1979	3.40%	3.30%
Pennsylvania (State)	3⅜%	1974–1975	3.25%	3.15%
Vermont (State)	3⅛%	1978–1979	3.35%	3.20%
New Housing Auth. (N. Y., N. Y.)	3½%	1977–1980	3.40%	3.25%
Los Angeles, Calif.	3¾%	1978–1980	3.85%	3.70%
Baltimore, Md.	3¼%	1980	3.50%	3.40%
Cincinnati, Ohio	3½%	1980	3.45%	3.35%
New Orleans, La.	3¼%	1979	3.65%	3.55%
Chicago, Ill.	3¼%	1977	3.65%	3.55%
New York City, N. Y.	3%	1980	3.60%	3.55%

Sept. 6, 1961 Index=3.4153%

NY IBA Group Annual Meeting

The annual dinner and meeting of the New York Group, Investment Bankers Association of America, will be held on Wednesday evening, Oct. 4, 1961, in the Waldorf-Astoria Hotel, it was announced by Lloyd B. Hatcher, Chairman, who is a partner in White, Weld & Co.

Eugene R. Black, President of the World Bank, and George A. Newton, President of the IBA and a managing partner of G. H. Walker & Co., St. Louis, Mo., will be the speakers. Mr. Hatcher will preside.

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

Sept. 7 (Thursday)			
Florida State University	1,486,000	1964-2001	11:00 a.m.
Gettysburg School Authority, Pa.	1,465,000	1963-1991	8:00 p.m.
Greenville-Spartanburg Airport District, S. C.	2,340,000	1964-1991	Noon
Islip, N. Y.	1,940,000	1962-1981	11:00 a.m.
Peoples Community Hospital Authority, Mich.	1,550,000	1963-1990	8:00 p.m.
South Windsor, Conn.	2,030,000	1962-1981	2:00 p.m.
Tampa, Fla.	1,200,000	1963-1987	11:00 a.m.
Sept. 11 (Monday)			
Fort Myers, Fla.	1,000,000	1962-1981	7:30 p.m.
Parma City Sch. Dist., Ohio	1,200,000	1963-1982	1:00 p.m.
Sept. 12 (Tuesday)			
Allentown Auth., Pa.	1,000,000	1966-1991	11:00 a.m.
Cheyenne, Wyo.	10,000,000	1963-1991	11:00 a.m.
Commonwealth of Massachusetts	47,000,000	1962-2009	Noon
Dothan, Alabama	2,300,000	-------	11:00 a.m.
Fullerton Union HSD, Calif.	1,000,000	1962-1981	11:00 a.m.
Manor Jt. High Sch. Authority, Pa.	1,125,000	1963-1982	7.30 p.m.
Middlesex County, N. J.	1,862,000	1962-1976	11:00 a.m.
Mooresville, N. C.	1,450,000	1963-1989	11:00 a.m.
St. Anthony, Minn.	1,262,000	1963-1971	8:00 p.m.
Springfield, Mass.	3,000,000	1962-1986	11:00 a.m.
Suffolk County Water Auth., N. Y.	4,500,000	1963-2000	Noon
Tacoma, Wash.	4,000,000	1962-1991	2:00 p.m.
Sept. 13 (Wednesday)			
California (State of)	100,000,000	1963-1987	10:00 a.m.
Dade Co. Spe. Tax S. D. 1, Fla.	6,010,000	1965-1975	10:00 a.m.
Harris Co., Houston Nav. Dist., Tex.	9,000,000	1962-1992	11:00 a.m.
Ramapo, Clarkstown CSD 2, N. Y.	3,230,000	1963-1991	11:00 a.m.
Sept. 14 (Thursday)			
Bellevue School District, Neb.	1,000,000	1962-1986	8:00 p.m.
Caddo Parish Waterworks, D., La.	1,402,000	1964-1991	10:00 a.m.
Essex County, N. J.	4,149,000	1962-1976	11:15 a.m.
Fresno, Calif.	2,500,000	1962-1991	10:00 a.m.
Lockport Water Dist. No. 3, N. Y.	1,750,000	1962-1991	3:00 p.m.
Tulsa, Oklahoma	3,200,000	1963-1986	10:00 a.m.
Sept. 15 (Friday)			
Franklin U. H. S. D. No. 2, Wis.	1,100,000	-------	-------
Rollins College, Fla.	1,072,000	1964-2001	10:00 a.m.
Sept. 18 (Monday)			
Atlanta, Ga.	5,300,000	1962-1981	11:00 a.m.
New York University, N. Y.	3,446,000	1962-1999	2:00 p.m.
Richardson, Texas	2,500,000	1962-1993	7:30 p.m.
Sept. 19 (Tuesday)			
Dearborn, Mich.	1,000,000	1962-1991	8:00 p.m.
Fridley, Minn.	1,190,000	1964-1973	8:00 p.m.
Milwaukee, Wis.	7,250,000	1962-1976	10:30 a.m.
New Brunswick, N. J.	1,610,000	1962-1991	11:00 a.m.
Oklahoma (State of)	35,500,000	1964-1986	10:00 a.m.
Pennsylvania State Sch. Building Authority, Pa.	25,893,000	1962-2000	Noon
Sacramento, Calif.	8,000,000	1962-2000	8:00 p.m.
Sept. 20 (Wednesday)			
Los Angeles Dept. of W. & P., Cal.	18,000,000	-------	-------
New Mexico (State of)	3,140,000	1962-1971	10:00 a.m.
New York City, N. Y.	42,490,000	1932-1967	11:00 a.m.
Sept. 21 (Thursday)			
Norwalk, Conn.	3,080,000	1962-1981	Noon
Wayne Co. Metro, Wtr. Dis., Mich.	1,650,000	1963-2001	11:00 a.m.
Sept. 23 (Saturday)			
University of Kansas	1,300,000	1964-2001	10:00 a.m.
Sept. 26 (Tuesday)			
Detroit, Mich.	22,250,000	-------	-------
Detroit City Sch. Dist., Mich.	10,000,000	1963-1988	-------
Pasadena, Calif.	9,000,000	1962-1981	10:00 a.m.
Sept. 27 (Wednesday)			
Illinois (State of)	100,000,000	1962-1986	11:00 a.m.
Rochester Comm. Sch. Dist., Mich.	1,500,000	1962-1987	8:00 p.m.
Sept. 28 (Thursday)			
Indianapolis, Ind.	2,200,000	-------	1:30 p.m.
Sept. 29 (Friday)			
Minneapolis, Minnesota	3,400,000	1989	4:30 p.m.
Oct. 3 (Tuesday)			
Newport News, Va.	3,000,000	1967-1991	2:00 p.m.
Oct. 10 (Tuesday)			
Los Angeles School Dist., Calif.	35,000,000	1962-1986	9:00 a.m.
Oct. 17 (Tuesday)			
Wayne County, Mich.	16,815,000	1966-2001	-------
Oct. 24 (Tuesday)			
Portland, Ore.	3,500,000	1964-1983	-------
Nov. 14 (Tuesday)			
Los Angeles Flood Control D., Cal.	15,000,000	-------	-------
Dec. 12 (Tuesday)			
Los Angeles Co. Hosp. Dist., Calif.	3,781,000	-------	-------

World Liquidity Problem Role of New York Banks

By David Rockefeller,* *President, The Chase Manhattan Bank, New York City*

New York banker explains why he favors measures bolstering the ability of key currencies to withstand short-term liquidity pressures in preference to other approaches. He, also, explains his preference for the Barnstein plan over the proposal of Professor Triffin for a world central bank. Mr. Rockefeller foresees an unfavorable impact resulting from the latter upon New York banks which he finds constitute an important source of strength to the United States and play play an important role in the development of a free world.

I propose to limit my remarks primarily to the problem of international liquidity and to the changes in the international financial structure that may be necessary to deal with this problem. In doing so, I do not in any way wish to minimize the gravity of the balance of payments problem our nation faces, or the urgency of effective steps to achieve a viable balance in our international payments accounts. It was suggested, however, that I include a discussion of the role of New York as an international reserve center. Thus, I feel I should concentrate on the problem of what may be needed to be done to improve the world payments mechanism, since that ties in closely to the questions posed.


David Rockefeller

Two Separate Tasks

At the outset, it seems to me important that we recognize that our nation faces two separate tasks in the international financial area. We must first deal with our balance of payments problem, for I do not believe there are any effective devices which could long withstand large continuing deficits on the part of the world's biggest trading nation.

However, success in bringing our basic payments position into balance will not solve the problem of international liquidity. That problem can be defined this way: We seek a world financial structure which will withstand short-term pressures against key currencies and meet the longer-term need for an adequate supply of assets acceptable in international payments.

The immediate problem is to improve the world payments mechanism to prevent short-term capital movements from becoming disruptive. In normal times, such movements perform a constructive function in financing international payments. However, short-term capital movements can place excessive pressure on any key currency where the country involved is experiencing temporary balance of payments deficits. Such capital movements are also highly sensitive to differentials in short-term interest rates. This fact restricts the ability of monetary authorities to ease money and credit in a recession since such action could drive down short-term interest rates and encourage an outflow of short-term capital. Consequently, we will face a problem of international liquidity even after our basic payments position has been righted.

Spread of Convertibility

This problem of short-term liquidity has arisen for two reasons. First, the spread of convertibility among industrial nations has made it possible to shift short-term funds from one market to another in response to interest rate differentials, or in response to changes in the appraisals which holders of such funds make of prospects in various money markets. In many ways, this is a healthy development. Currency convertibility has been one of our foreign policy goals because of the benefits it brings in the form of more effective competition and enlarged trade. The greater mobility of short-term capital makes it possible to handle a much larger volume of trade and investments than was the case before the spread of convertibility. However, it does pose the problem I mentioned earlier of finding ways to keep such capital shifts within proper bounds.

Change in U. S. Position

A second reason for concern over the problem of short-term international liquidity lies in the change in the position of the United States. In the earlier postwar period, the dollar was universally regarded as invulnerable. The dollar was the leading reserve currency since dollar holdings could earn interest and were convertible into gold at a fixed price. Thus, foreign dollar holdings were built up from \$8.6 billion to \$21.4 billion between 1950 and the end of 1960.

This build-up in United States short-term liabilities, which has supplied a massive dose of needed international liquidity, now poses problems to the United States. The dollar is no longer invulnerable to any and all circumstances, as is shown clearly by developments of the past two years when the dollar has been under pressure.

In a sense, the position of our nation is somewhat like that of a commercial bank. The United States had demand liabilities at the end of last year amounting to \$21.4 billion. Against these liabilities the nation held \$17.8 billion of gold, of which nearly \$12 billion was earmarked to back Federal Reserve notes and deposits. United States long-term foreign investments are, of course, very substantial. But these long-term foreign investments are, of course, very substantial. But these long-term investments cannot be liquidated to cover short-term claims against the United States.

Thus, the United States has reached a point where it must be concerned about the pace and extent of the increase in its short-term foreign liabilities. The nation's reserves are large in relation to our trade and our short-term liabilities. Yet they are not so large in relation to the pressures that could be placed on them by short-term capital movements as to leave room for complacency. For that reason, the United States has a genuine interest in measures to improve the world financial mechanism to deal with the problem of short-term international liquidity.

If such a mechanism can be developed, the longer-term liquidity position of the world would appear to be satisfactory for at least the near-term future. Much has been made of the fact that official gold stocks have been growing at an average annual rate of 2% while world trade has been expanding at a 5% rate. However, there is no simple and mechanical relationship between the growth of trade and reserves. In large part because of the massive injections of dollars into foreign reserves in recent years, world liquidity is high in relation to world trade. As I shall note later, this may be a problem to watch in the years ahead. But it does not appear to be the problem to focus on at the moment.

Four Approaches

What, then, should be done about the short-term liquidity problem? Four approaches have been suggested to improve the world's financial mechanism:

(1) Increase the price of gold.

(2) Strengthen the present mechanism by internal measures and by increased cooperation among key currency nations.

(3) Expand the scope of the IMF by increasing quotas and enlarging its powers to borrow currencies in surplus.

(4) Convert the IMF into a world central bank.

While an increase in the price of gold would appear to be a simple and direct solution, it actually has significant disadvantages. It would stimulate gold production at a time when it is doubtful that additional reasources should be devoted to gold mining. The gains from a mark-up in the price of gold would accrue chiefly to South Africa and the Soviet Union, the two largest gold producers, and to the Western industrial nations which hold gold. Lesser developed nations would receive minor benefits since they hold little gold. Nations holding their reserves in key currencies would find that these reserves would be worth less in terms of gold. Any hint of a possible gold price change would set off a widespread and disruptive speculative move. Consequently, the case against raising the price of gold is most persuasive.

The Key Currency Approach

A second approach would involve building on the present mechanism to bolster the ability of key currencies to withstand pressures. Since the dollar is a key currency, it is important to consider what might be done to strengthen the position of the United States as an international banker. There are a number of steps which could be taken unilaterally, and several others which would require international cooperation.

A first step which we could take would be to remove the requirement that gold be held against the note and deposit liabilities of the Federal Reserve Banks. The Commission on Money and Credit discussed this problem at length, and I should like to quote the Commission's recommendation:

"The Commission belives that the threat of a confidence crisis woud be greatly reduced if it were generally recognized, both here and abroad, that all of the U. S. gold is available to meet our international obligations. Any doubts about U. S. policy should be removed by elimination of the gold reserve requirement at the earliest convenient moment so that all of the U. S. gold stock is available for international settlements."

As a second measure I belive the U. S. Treasury should continue to supply gold to the London gold market through the Bank of England to prevent the price from going more than slightly above \$35 an ounce. The speculation in that market last fall, which drove the price above \$40 an ounce temporarily, was a factor that helped accelerate the outflow of short-term capital from this country. The cost of pegging the London gold price is low in comparison to the damage that can be done to public confidence through speculative moves in the price.

Domestic Economic Policies

United States domestic economic policies can also be adapted to reduce the pressure of short-term capital outflows in a period of recession. Such outflows are importantly influenced by differentials in short-term interest rates as between the United States and other industrial nations. The Federal Reserve can supply necessary reserves to the banking system by open market purchases of intermediate term securities, thus reducing short-term rates less than would be the case if short-term securities were purchased. The Federal Reserve has been following this policy in recent months and I believe the record shows that it has been generally successful.

At the same time, greater reliance on fiscal measures could reduce the amount of monetary ease needed to facilitate business recovery. The resulting deficits could be financed with short-term securities, which would help keep short term interest rates from declining to unusually low levels. The use of short-term financing by the Treasury is an appropriate procedure in a recession.

Regulation Q

Regulation "Q", under which the Federal Reserve sets ceilings on interest rates which commercial banks can pay on time deposits, should be revised to enable commercial banks to compete more effectively with interest rates abroad, and thus be better able to retain holdings of foreign dollars in the U. S. This is particularly important in the ease of large dollar holdings of foreign central banks and official institutions which might otherwise be converted into gold.

Steps can also be taken to reduce the profitability and hence the volume of short-term capital flows. To avoid the foreign exchange risk, those who shift short-term funds abroad frequently cover themselves through purchases of dollars in the forward market. By operating in this market, U. S. authorities could increase the cost of purchasing forward dollars, perhaps to the point where shifting funds would not be worthwhile. This would increase the risks of temporary movements of funds and reduce the volume. U. S. authorities could cover their short position by borrowing from the IMF or from foreign central banks. Such operations have been carried on recently in German marks.

International Cooperation

Several other steps could be taken by agreement among the six or eight countries which are the main holders of dollar balances. Central banks could agree to hold other currencies for limited periods rather than convert them into gold. This would reduce the possibility of an exchange crisis arising from large shifts of short-term funds. Such cooperative arrangements among central banks have been used in part to cover the shifts in funds following the German revaluation.

It seems to me that the key currency approach is a constructive one. The experience now being accumulated through cooperative efforts could pave the way for further steps to improve the world financial structure.

IMF Revision

However, I believe we must soon take such further steps to develop a structure that will withstand the massive movements of short-term funds which are now possible as well as to meet

Continued on page 20

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Aerospace—Discussion of developments with particular reference to **Aerojet General Corp., Avco Corp., Boeing Co., Lockheed Aircraft, North American Aviation, Sperry Rand Corp.,** and **United Aircraft Corp.**—Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available are reports on **Ronson Corp., Texas Instruments, Aluminum Stocks, Beckman Instruments, Commonwealth Edison, Dow Chemical, Niagara Mohawk Power, Panhandle Eastern Pipeline, Philip Carey** and **Siegler Corp.**

Airlines — Analysis in September issue of "Investornews"—Francis I. duPont & Co., 1 Wall St., New York 5, N. Y. Also in the same issue is an analysis of **Coca Cola** and reports on **Metro-Goldwyn-Mayer** and **Island Creek Coal.**

Bank Stocks—Bulletin—Boenning & Co., 1529 Walnut St., Philadelphia 2, Pa.

Berlin & The Market—Review—Stearns & Co., 80 Pine St., New York 5, N. Y.

Bond Interest vs Savings & Loan Interest—Report—Francoeur and Co., 39 South La Salle St., Chicago 3, Ill.

Canadian Business and Finance—Bulletin — Equitable Securities Canada Limited, 60 Yonge St., Toronto 1, Ont., Canada.

Department and Discount Stores—Survey—Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

Electric Utilities—Bulletin—With particular reference to **Ohio Edison Co.**—Robert W. Baird & Co., 110 East Wisconsin Ave., Milwaukee 1, Wis.

Japanese Electronics Industry — Analysis—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y.

Japanese Stocks — Handbook for investment, containing 20 essential points for stock traders and investors — The Nikko Securities Co., Ltd., Tokyo, Japan — New York office 25 Broad Street, New York 4, N. Y.

New York City Bank Stocks—Second Quarter Statistics on 11 New York Banks—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Over-the-Counter Index — Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 23-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Portfolio for the 1960's—Bulletin —Carreau & Co., 115 Broadway, New York 6, N. Y. Also available are data on **Aldens, Inc., Babcock & Wilcox, Great Northern Paper, Pittston Co., Standard Oil of New Jersey** and **H. I. Thompson Fiber Glass.**

Puerto Rico—Quarterly report to Investors in Puerto Rican Securities — Government Development Bank for Puerto Rico, San Juan, Puerto Rico.

Public Utility Common Stocks—Comparative figures — G. A. Saxton & Co., Inc., 1 Wall St., New York 5, N. Y.

Railroads—Analysis of Outlook—John H. Lewis & Co., 63 Wall St., New York 5, N. Y.

Rubber Industry—Review—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y. with particular reference to **Goodyear Tire & Rubber, U. S. Rubber** and **Mohawk Rubber.**

Science Stocks — Bulletin—Ralph E. Samuel & Co., 2 Broadway, New York 4, N. Y.

Small Companies — Report on companies which appear interesting—Shearson, Hammill & Co., 14 Wall St., New York 5, N. Y.

Toy Industry — Analysis — With particular reference to **Milton Bradley, Eldon Industries, Mattel, Inc., Remco Industries** and **Tonka Toys**—Reiner, Linburn & Co., 80 Pine St., New York 5, N. Y.

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Algoma Steel Corp.—Data—James Richardson & Sons, Inc., 14 Wall St., New York 5, N. Y. Also available are reviews of **Geco Mines Ltd., Great Lakes Paper Co., International Nickel Company of Canada, Salada - Shirriff - Horsey Ltd., Traders Finance Corp.** and **Investors Syndicate Limited.**

American Life Companies, Inc.—Report—J. H. Goddard & Co., Inc., 85 Devonshire St., Boston 9, Mass.

American Machine & Foundry Co. —Memorandum—E. F. Hutton & Company, 1 Chase Manhattan Plaza, New York 5, N. Y.

American Motors — Review — Schwabacher & Co., 100 Montgomery St., San Francisco 4, Calif. Also available is a report on **Plough Inc.**

American News Company — Discussion in current issue of "Investors Reader"—Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine St., New York 5, N. Y. In the same issue are data on **Nalco Chemical, Campbell Soup Company, Air Products & Chemicals, Sunbeam Corp., Ideal Cement, Monsanto Chemical** and **Dow Jones & Co.**

American Viscose Corporation—Analysis—Eastman, Dillon, Union Securities & Co., 15 Broad St., New York 5, N. Y. Also available are data on **Monsanto Chemical Co.**

James B. Beam Distilling Co.—Memorandum — Dempsey-Tegeler & Co., 210 West Seventh St., Los Angeles 4, Calif.

Bendix Corp. — Analysis — Hornblower & Weeks, 40 Wall St., New York 5, N. Y. Also available are data on **Chrysler, Timken Roller Bearing, Eaton Manufacturing, Continental Insurance, General Portland, General Mills, Sunbeam** and **Champion Papers.**

Bigelow Sanford, Inc. — Survey—Abraham & Co., 120 Broadway, New York 5, N. Y. Also available is a survey of **Crane Co.**

Brown Fintube — Memorandum—Saunders, Stiver & Co., 1 Terminal Tower, Cleveland 13, Ohio.

Brunswick Corporation—Bulletin — Hill, Darlington & Grimm, 2 Broadway, New York 4, N. Y.

Callahan Mining Corp.—Report—Theodore Tsolainos & Co., 44 Wall St., New York 5, N. Y.

Canadian Kodiak Refineries Ltd. —Report—Troster, Singer & Co., 74 Trinity Place, New York 6, N. Y. Also available are reports on the **Machine Tool Industry, Kahr Bearing Corporation** and **Air Express International Corp.**

Colgate - Palmolive — Report — Wedbush & Co., 157 Santa Barbara Plaza, Los Angeles 8, Calif.

Collins & Aikman—Memorandum —Batchker, Eaton & Co., 120 Broadway, New York 5, N. Y.

Colonial Sand & Stone — Chart analysis—Auchincloss, Parker & Redpath, 2 Broadway, New York 4, N. Y.

Combustion Engineering—Survey —Shields & Co., 44 Wall St., New York 5, N. Y. Also available are surveys of **Dan River Mills** and **Missouri Portland Cement.**

Continental Screw Company — Analysis — Halle & Stieglitz, 52 Wall St., New York 5, N. Y. Also available is an analysis of **Ronson Corporation.**

Corn Products Company—Analysis—Glore, Forgan & Co., 45 Wall St., New York 5, N. Y.

Electro-Nuclear Systems Corp.—Analysis—Craig-Hallum, Kinnard, Inc., 133 South Seventh St., Minneapolis 2, Minn. Also available is an analysis of **Twin Cities Medical Electronics Companies.**

Ford Motor Company—Analysis—Dean Witter & Co., 45 Montgomery St., San Francisco 6, Calif.

General Motors and Ford—Comparison and analysis — Carl M. Loeb, Rhoades & Co., 42 Wall St., New York 5, N. Y. Also available is a review of **Falconbridge Nickel Mines Ltd., Tractor Supply Co.** and **Southern Company.**

Fritz W. Glitsch and Sons—Report Eppler, Guerin & Turner, Inc., Fidelity Union Tower, Dallas 1, Tex. Also available is a report on **Great Southwest Corporation.**

Godfrey Company — Analysis — Taylor, Rogers & Tracy, Inc., 105 South La Salle St., Chicago 3, Ill.

Gulf American Land — Memorandum—Hemphill, Noyes & Co., 8 Hanover St., New York 5, N. Y.

Harrington & Richardson Inc. — Report — Southwestern Securities Corporation, 120 East Third St., Charlotte 2, N. C.

Ideal Cement Company—Analysis —A. C. Allyn & Co., 122 South La Salle St., Chicago 3, Ill.

International Business Machines — Memorandum — Stern, Frank, Meyer & Fox, Union Bank Building, Los Angeles 14, Calif.

International Nickel—Data in the September Investment Letter — Hayden, Stone & Co., 25 Broad St., New York 4, N. Y. Also in the same issue are data on **American Chain & Cable** and **McKesson & Robbins.**

Jones & Laughlin Steel Corp. — Report—Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also available are reports on **Phelps Dodge Corp.** and **U. S. Retailers.**

Koppers Co., Inc.—Report—A. M. Kidder & Co., Inc., 1 Wall St., New York 5, N. Y. Also available is a report on **Crown Cork & Seal Co.**

MacMillan, Bloedel & Powell River—Report — Freehling, Meyerhoff & Co., 120 South La Salle St., Chicago 3, Ill.

Meadowbrook National Bank — Report—Holton, Henderson & Co., 210 West Seventh St., Los Angeles 14, Calif.

Miami Industries, Inc.—Report—H. Hentz & Co., 72 Wall St., New York 5, N. Y. Also available are reports on **Paramount Pictures Corp.** and **Railroad Bonds.**

Miehle Goss Dexter — Analysis—John C. Legg & Co., 22 Light St., Baltimore 3, Md.

National Patent Development — Memorandum — Kalb, Voorhis & Co., 27 William St., New York 5, N. Y.

Northwest Nitro Chemical Ltd.—Report—R. L. Warren Co., 818 Olive St., St. Louis 1, Mo. Also available is a memorandum on **Columbia Pictures Corp.**

Olin Mathieson Chemical Corp.—Analysis—Evans & Co., Inc., 300 Park Ave., New York 22, N. Y. Also available are data on **Scott, Foresman & Co.**

Ore-Ida Foods, Inc. — Report — Hooker & Fay, Inc., 221 Montgomery St., San Francisco 4, Calif.

San Francisco Mines of Mexico Ltd.—Memorandum — Model, Roland & Stone, 120 Broadway, New York 5, N. Y. Also available is a memorandum on **Fresnillo Co.**

Seismographic Service Corp. — Memorandum — Alex. Brown & Sons, 135 East Baltimore St., Baltimore 2, Md.

Southwest Grease & Oil Company of Wichita — Report — Milburn, Cochran & Co., Inc., 110 East First St., Wichita 2, Kan.

Studebaker-Packard Corp. — Report—J. R. Williston & Beane, 2 Broadway, New York 4, N. Y. Also available are reports on **Standard Pressed Steel Co.** and **Burlington Industries.**

Tenney Corporation — Report — Charles A. Taggart & Co., Inc., 1516 Locust St., Philadelphia 2, Pa.

U. S. Components, Inc.—Report—Arden Perin & Co., Inc., 510 Madison Ave., New York 22, N. Y.

Vanguard Air & Marine Corp.—Information—Pearson, Murphy & Co., 50 Broad St., New York 4, N. Y. Also available are data on **Porce-Alume.**

Varco Industries, Inc.—Report—Omega Securities Corporation, 40 Exchange Pl., New York 5, N. Y.

Westgate California Corporation—Analysis — Parker Ford & Company, Inc., Vaughn Building, Dallas 1, Texas.

Yardley & Co., Ltd. — Memorandum—Winslow, Cohu & Stetson, Inc., 26 Broadway, New York 4, N. Y.

Transamerica Corporation

By Dr. Ira U. Cobleigh, *Enterprise Economist*

A swift evaluation of this progressive and merger-minded holding company, its principal subsidiary, Occidental Life Insurance Co.; and the new horizons for growth created by the Pacific Finance merger.

No operating life insurance companies have their shares listed on the New York Stock Exchange. Probably the closest approach to a "listed" major life company is found in Transamerica common, whose principal asset is its 100% ownership of Occidental Life Insurance Company of California, a magnificent financial institution, now ranking eleventh (on the basis of insurance in force) among the 1,400 odd life companies in the United States.

Life insurance is one of the most dynamically growing industries in America, and many representative life shares have recently been documenting that by racking up new market highs (over-the-counter). Transamerica has been cited for discussion today because, viewed as an insurance equity, it seems quite reasonably priced in relation to its earnings and growth rate, and because it also offers a broad panorama of profitability in many other fields as well.

Occidental Life Insurance Company

Occidental Life is a huge and growing company with over $840 million in assets and around $11 billion of life insurance in force. Its ordinary life business has been growing at an annual rate of 12% compounded and the company showed a record volume of new sales—$1,788,187,554 for 1960. Occidental's size is further illustrated by the fact that it pays out over $575,000 each working day to policy holders and beneficiaries. Net premium income is now flowing in at the rate of $250 million annually.

Much of this progress is due to smart merchandising and introduction of attractive new policies such as a Father and Son plan for educational insurance; and Occidental's Increasing Term Plan, providing for automatic increase in face amount with each year the policy remains in force. Aggressive selling is also resulting in substantial conversions of term policies into permanent whole life and endowment contracts.

Occidental delivered net earnings of $13,231,823 in 1960. A steady future rise in this net income is predictable as the benefits, from the heavy volume of new business, materialize. (Putting new business on the books creates high acquisition costs for the first year, but substantial expansion of net income later on.)

Occidental is the largest life company west of the Mississippi and is constantly expanding. It had 255 branches and general agencies last year and 42 field offices. This year 25 new offices will be added. Occidental is regarded as an excellent company to own stock in and some analysts have suggested that just this company alone is worth a figure very close to the price of $40 a share at which Transamerica now sells. But Transamerica has many other strings to its king-sized bow.

Fire and Casualty Insurance

In fire and casualty insurance, Transamerica had at the end of 1960, seven subsidiaries, the largest being American Surety Company (acquired by an exchange of stock in 1960) and Pacific National Fire Insurance Co. Together all these companies grossed $82 million in 1960, produced a statutory net income of $4,023,477 and paid dividends of $1,148,800.

These companies are served by more than 10,000 agents and do business in every state of the Union and in Canada. Closer coordination and jointly staffed regional branch offices are now streamlining the efficiency of this group.

Capital Company

This company is the real estate subsidiary of Transamerica. It has, for over 30 years, been engaged in ownership, management and sale of real estate. Some properties are developed for retention as income producers; others are sold after completion. Presently held realty includes a modern 18 story office building, major regional shopping centers, supermarkets, a hotel and farm land. In prospect is the development of a whole new community with an ultimate population of 75,000 on its wholly owned 7,800 acre Diamond Bar tract near Pomona, Cal. There are two new subdivision programs in progress involving, totally, 616 additional acres. Due to heavy development costs and high carrying charges in the early phases of these community building programs, net profits of capital Company were reduced to $51,489 in 1960, against $516,336 a year earlier. A very substantial rise in the profit returns from these sizable realty projects is expected, however, over the next three years.

General Metals Corporation

This is an industrial company operating under three separate divisions. Foundry and Forge with two plants in California and one at Houston, Texas, is a maker of steel, iron and malleable castings, and drop and press forgings. Adel manufactures hydraulic control devices and other missile and aircraft components. Enterprise produces high horsepower marine and stationary diesel engines at plants in the San Francisco Bay area.

The recession in 1960 created a net loss of $705,339 for General Metals against a $970,900 profit a year earlier. A major program, begun in 1960, to consolidate plant facilities, expand production in lines of increasing industrial demand, and to supplement existing product lines, augurs well for a resurgence in earning power for 1961.

Phoenix Title and Trust Company

This is the leading title and trust company in Arizona, and Transamerica now owns 54% of its capital stock. Arizona is one of the fastest growing states in the Union, and this company, which delivered $609,683 in net earnings last year, appears capable of substantial long term growth. It has paid dividends continuously since 1935.

Pacific Finance Corporation

The latest and largest merger in the Transamerica program of strategic acquisition is the recent offer to exchange with the stockholders of Pacific Finance Corporation, 817,800 shares of 4½% Convertible Preferred Stock ($100 par) for all of the outstanding stock of Pacific Finance. This prefererd in turn is convertible into 2,326,000 shares of Transamerica common.

This merger brings into the Transamerica picture the fourth largest independent automobile and sales finance company in America, with assets of over $525 million. The company engages primarily in automobile sales financing, direct lending to consumers on automobiles and other personal property and the writing of insurance. Pacific Finance should fit well into Transamerica by bringing the company into consumer credit and finance, and by broadening its insurance market in the areas of credit life insurance, and automobile insurance on motor vehicles financed. Pacific Finance showed a gross income of $79 million in 1960, and net income of $4,982,286.

In summary, the investor in Transamerica today shares first of all in the earnings of one of the fastest growing major life insurance companies. Added to that are diversified interests in surety and casualty insurance, industry, real estate, title insurance, consumer finance plus an investment portfolio worth over $32 million at the 1960 year-end. Consolidated net earnings last year were $1.47 per share, ample coverage for the present 80c dividend. Transamerica common sells at 40; and the new 4½% preferred, convertible into 2.84 common shares, trades at 128. Both appear interesting, and not overpriced, current entries into a well managed panoramically proportioned corporation with vistas of growth in many directions, brightened by recent and potential mergers.

W. J. Meehan Forms Own Co.

PHOENIX, Ariz.—W. J. Meehan Securities Corporation has been formed with offices at 222 West Osborn Road to engage in a securities business. Officers are Willis J. Meehan, President, and E. C. Bonasera, Secretary-Treasurer. Mr. Meehan was formerly a Partner in Cruttenden, Podesta & Co., and was an officer of Stewart, Miller & Co.

Granger & Co. Names Mun. Mgr.

Arthur Gordon Hageman has become associated with Granger & Company, 111 Broadway, New York City, member of the New York Stock Exchange, as Manager of the municipal bond department.

E. J. McCabe With Stewart, Miller

CHICAGO, Ill.—Edward J. McCabe, Jr. has become associated with Stewart, Miller & Co., Inc., 209 South La Salle Street, as Manager of institutional sales. Mr. McCabe was formerly with Harris, Upham & Co.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

Congress is getting tired and this, coupled with the feeling that President Kennedy has pushed it too much, was in part responsible for the two heavy defeats handed the President on his education bills and foreign aid.

Federal aid to education for school construction and payment of teachers' salaries is dead for this year. The President will very likely recover some of the funds cut by the House Appropriations Committee from the foreign aid appropriations in conference between the two houses. But he won't recover the full amount of nearly $900 million.

Basically, it was the old Republican - Southern coalition which handed him the two haymakers.

But there was an emotional quality in the two votes which went way beyond what the old coalition normally could command — an emotional quality which enabled the coalition to snowball its once marginal majority. At the frayed end of a hard session, Congress often strikes out in an unreasoning manner, but seldom with such accurate aim and power.

How did it happen twice in two weeks? The cloakroom concensus: high as his legislative rating still is, Mr. Kennedy may have pushed Congress too long, too hard, for too much of his program in one session. Most of the legislators say that the time has just about come to go home. A key strategist, in the forefront of the battle for every New Frontier measure recently, put it more crisply: "We've had it."

Just before the Administration lost its fight for the Treasury borrowing method of financing foreign aid, Brooks Hays, Assistant Secretary of State for Congressional Relations, held a meeting with his staff. Legislative soundings had detected a change in "atmospheric conditions" in Congress of foreign aid.

He broke the news gently:—

"We are at the stage where legislative plans may have to be altered in the light of developments," he said. To illustrate, he told one of his favorite Arkansas stories:

A dirt farmer was walking along a hot country road on his way to town when a wealthy tourist pulled alongside him in an air-conditioned car and offered him a lift.

"Drop me at the county seat," the farmer told his benefactor.

As they rode along, the tourist, by way of conversation, asked his pick-up if he planned to visit the courthouse.

"Well, I was going to," replied the farmer. "But the weather has gotten so cold in the last few minutes, I think I'll go back home and kill hogs."

* * *

The august, conservative Senate has lost its reputation at this session of Congress. It has long been considered the chamber that stopped "wild" legislation. Elected for six years, the theory was that its members were not exposed to passing popular whims, thus they could ride them out. It has unlimited debate and its rules are not near as tight as those of the House.

The House, with its members elected for only two years, has to be held in check with limited debate and a rules committee which screens bills before they come to the floor. It is supposed to be made up of 437 wild and wooly characters, representing every phase of the population, at times with ex-jail birds.

But at this session the House has been the conservative body to keep a check on Mr. Kennedy. The Senate has passed every bill to come before it. This was true of his foreign aid and education bills which the Senate passed without dotting an "i" or crossing a "t". The House checked both of them.

Both Senators and House members receive the same pay, $22,500 a year, but the Senators have larger staffs and more perquisites than the House members.

Impact of Enlarged Defense Costs on Metals Industry

By George L. Bartlett, Partner, Thomson & McKinnon, New York City

Wall Street partner measures the probable effect of currently heightened defense preparatory moves upon metals. Each important metal industry is analyzed and preferences are expressed for various companies within each one. Discussion takes in not only the staid, big-scale metals but, also, the relatively unkown, dawning metals. With regard to the latter, Mr. Bartlett recommends confining commitments to the established companies in the field or about to enter it.

Deteriorating foreign relations, particularly with Russia, have been plaguing the free world since the Paris conference foundered last year and will soon reach a climax. The Kennedy-Khrushchev meeting in Vienna, which sounded like the overtones of bullying a newman, brought quick action here, featuring preparedness in Washington and abroad. Since there is little point in increasing manpower and weapons without a willingness to use them if necessary, it may be assumed they will be used if the situation demands it. It goes without saying that nobody wants even a brush skirmish, much less a war. But neither does anybody want to be caught unprepared against it. We remember Pearl Harbor too well. There has been much less bellicose demonstration and saber rattling from the Russians than might have been expected. Moreover, there has been a decided diminuendo in propaganda and overt acts. It does not seem natural and we are not taking it at face value. Again, we have no wish to be taken unawares. Some of us well remember, also, the sinking of the "Lusitania" in World War I.

George L. Bartlett

It thus seems an unavoidable conclusion that the United States, this time, intends to be ready for anything that may befall. It goes farther than the possibly portentous German situation; it extends to wherever trouble may arise, whether "brush fires" or international spleen. Unreadiness has cost us too much in the past; the tempo has risen and the demands of time have become inexorable.

This is where the metals come in. Metals are the sinews of modern conflict if the conference table does not settle the dispute. Our manpower must be prepared, but we must be armed with the complex weapons of today, and the weapons, also must be in being and not "on order."

For purposes of a general view, the principal metals to consider in regard to military requirements are steel, copper, aluminum, zinc, and nickel. Secondary metals required are nickel, manganese, mercury, molybdenum, uranium, tin, vanadium, tungsten, chromium and numerous other alloying metals. We have stockpiles of these. Behind these stretches a longish list of metals, essential for such items as "exotic" and electronic fuels and nucleonic components Many of these have also been "stockpiled" as a result of our experience in World War II, a few to excess. It is not possible, within the confines of a short article, to discuss the particular prospects of the lesser metals, as above; some of them have barely come to public attention.

Steel, Copper, Aluminum, Zinc

In the event of actual armed conflict, steel is the major requirement and there is little question that our facilities for production are adequate for our probable needs. Somewhere around $15 billion were spent after World War II for new plant and improved producing methods, and more money is steadily pouring into modernization. Costs, naturally, have been rising, especially as labor has seized every possible opportunity for increasing its "take." Rising costs have been followed by higher selling prices. Even now, with operations still far below capacity, there is much talk of marking up selling prices.

Steel, moreover, is a well-organized industry, meaning not only labor, but in output in relation to demand. This makes it quickly and effectively responsive to control. It will be remembered that automobile production was practically shut down and unessential building was also halted, during our years in World War II.

We expect no hesitation on the part of our government to curtail steel for civilian use if that should look necessary at any time in the near future. However, since we do not anticipate that a war of worldwide extent will emerge, it is our thought that steel operations will be increased to a moderate extent by our step-up in armament and that no "freeze" in prices will be regarded as needful by the Federal authorities. This, we think, will have a strongly beneficial effect on steel stock shares and on earnings. If trouble comes, an increase in taxes undoubtedly will be attempted in order to avoid too much of an inflation which if unchecked, might run amok, with incalculable consequences.

In steel shares, we believe that the best situation to derive benefits from the developments outlined might well be U. S. Steel and Republic Steel. These companies are relatively low-cost producers, have adequate resources and capable management. Bethlehem Steel, also, has possibilities, but is heavy in shipbuilding which, in view of lessened emphasis on naval power, has greater speculative characteristics.

Good Prospects for Copper

Copper, also, will play an important role. For some of its applications, it is virtually irreplaceable. The importance of the U. S. as a producer of copper has materially diminished, aluminum having usurped its place for many purposes and various sound reasons. But production, on a worldwide basis, has run into numerous troubles, not the least of them being the rising political ferment in Africa. Labor costs in Africa are relatively low but are expected to move higher as nationalism grows. There is a possibility of strikes here and in Chile which probably is now keeping the selling price of the metal at its present 30¢ a lb. level here. Supply is adequate but would not be over-abundant if preparedness continues as it now seems it will. There has been a substantial rise in copper share prices in anticipation of increased buying. In the event of armed trouble on a large scale, both sales and earnings should rise which would improve demand for stocks. U. S. production is no longer adequate for our own requirements. Moreover, the estimates of Russian production are placed at practically our own level. However, Russia has resorted to world supplies on various occasions in the post-World War II period.

Prospects for copper, taking full cognizance of the existence of stockpiles and the likelihood that prices will be frozen in the event of hostilities, will be good. Stock prices were seriously depressed but have risen part way in response to the developing threat. The obvious effects of inflation, naturally, remain to be assessed but there are too many imponderables at present for dependable analysis. In other words, a lusty competitor has come into being—aluminum—which has not yet been adequately tested to permit judgment of its staying qualities.

There is thus a stronger element of speculation in the copper shares than in the steels, but the markets are not likely to come to this conclusion in a sudden realization. Moreover, copper is in rising world-wide demand. Its growth factor must still be regarded as good. A more wary attitude is all that is indicated. Copper prices and share prices should have broad gains.

Kennecott Copper, Anaconda Company and Phelps Dodge Corporation are the outstanding companies in this field, whose stocks appeal particularly to investors. Anaconda is somewhat heavily in South America, which presents another problem.

Competitive Aluminum

Aluminum is the most rapidly growing of our major metals, yet the rapid expansion of its use has tended to force it into a mold that is, perhaps, as cyclical as are other major metals. Following the war, capacity was greatly increased because shortage of supplies then quickly developed. But its production is a compact, well-controlled industry and prices did not vary much, the entire range in primary aluminum having been from 19 cents to 26 cents a lb. Not only copper, but steel, zinc, and various other metals have felt its impact. It is offering competition to the tinplate industry, in construction, in automobile manufacture and in a myriad of other uses. Moreover, additional breakthroughs seem certain. No other competition has appeared in the metallic industries, though plastics have had some effect.

The choice in aluminum stocks is not wide. My favorite is Reynolds Metals because I believe it is more vigorously, though more hazardously, managed. Aluminum Co. of America also will share fully in the benefits the years ahead hold, and should we be driven into war, our position in the industry will remain incontestably strong. Canadians also might give thought to their well-fortified situation in Aluminium, Ltd.

Zinc and lead are often coupled in reviewing prospects. That is because much of the domestic supply is often—in fact, generally—produced as byproducts of the mining of other metals. There are exceptions. The use of zinc, for military purposes is mainly in the manufacture of brass which has endless uses, from buttons to cartridge shells. "Galvanizing," i.e. a coating of zinc for the protection from rust of steel sheets, for such items as protection against weather, water buckets, sidings and so on, is also in wide demand. In lead, litharge used as primary protection against oxidation of steel structures of many kinds, battery plates, tetraethyl lead for anti-knock gasoline and coverings of various types of cables are among the major outlets. A new use is currently being developed for protection against emanations of nuclear reactors and as containers for atomic wastes.

The United States has become an importing nation both in zinc and lead. That means the heyday of both metals is undoubtedly now past. Interference, of any serious nature, would disorder our organized supply as at present constituted. Supply would nevertheless be adequate for our needs. Brass is nearly as lasting as copper, and lead (except that used in pigments and gasoline) is regarded as practically indestructible. That tends to supply us with large volumes of secondary metal that can be recovered. The most promising stocks in these groups are New Jersey Zinc and Consolidated Mining & Smelting, the latter a Canadian company, both listed on the American Stock Exchange.

Miscellaneous Metals

This group, which contains such highly essential elements as nickel and tin, manganese and mercury, molybdenum and magnesium, platinum metals and silver, as well as a host of others, occupies an important strategic position. But seldom is the production of leading mining companies confined to them alone. International Nickel for example, is a major producer of copper as well as the leading producer of nickel and of platinum metals in the free world. The Russian output of these is not known. American Metal Climax is the largest producer of molybdenum, but when the steel industry operates at full blast, Kennecott is a close runner up because Kennecott produces a large volume of molybdenum as a by-product. But American Metal Climax is also a large factor in South African copper and holds substantial interests in other metal companies. American Metal Climax would appear to be an interesting speculation.

The United States produces practically no tin but is the largest consumer in the world. For various reasons, tin has lost much of its worldwide importance but certain qualities are of great importance and probably will continue it in demand.

Uranium today is the *sine qua non* of nuclear energy development, but the last word has by no means been said. The production attained has been largely a matter of subsidy whereas utilization on a constructive basis must become strictly competitive. On such a basis, it is doubtful whether that time has come. So it is, also, with other metals and substances. Silver has numerous important commercial uses but its price is relatively high and several of its qualities can be obtained, perhaps, with some sacrifice of maximum efficiency, through workable substitutes. In other high cost metals, such substitutions may remain for discovery.

In this grouping of miscellaneous metals in its entirety, fluidity is the word that best describes the markets for its stocks and the promise of capital gains in the future. There is a typical example in the experience with titanium some time back. Titanium has a high strength-to-weight ratio and a melting point at 3,300 degrees. This was a highly desirable combination of qualities but, after considerable excitement, it was learned that its strength diminished rapidly above 800 degrees. The bottom fell out. We are still burdened with excess capacity though its usefulness is growing as a pigment and other applications where strength at high heat is of less consideration than its resistance to corrosion.

It should be noted, also, that in the United States many of these metals are recovered as byproducts rather than as primary products, or by treatment of imported ores. Beryllium is an example. It has been in demand for its light weight, strength, high melting point and its exceptional resistance to fatigue and corrosion. However, in 1960, the U. S. produced only 210 tons of ores and imported 8,800 tons. More ore must be discovered and improved processes for recovery developed before its potentialities can be realized. This metal is represented by two companies that have been long established—Beryllium Corporation of America and Brush Beryllium—both traded over-the-counter, which naturally are of speculative flavor.

Where speculative possibilities are sought in these dawning metals, it would be best, perhaps, to confine commitments to the established companies in the field or about to enter it. Such companies have the resources to carry through the obstacles that may confront them and failure could scarcely prove fatal. It would seem the best course, also, to choose adequately financed companies and those which have a good history. Too many hurdles in the way can wear down even the best equipped trader. Success in selection could mean large profits but the risk is commensurate.

N. J. Dealers Forming Ass'n

BLOOMFIELD, N. J.—Formation of a state-wide association to represent the more than 400 investment dealers in New Jersey has been announced by J. William Weller, J. W. Weller & Co., Inc., temporary chairman.

The Association will be known as the New Jersey Association of Investment Dealers and is seeking almost 200 members, Mr. Weller said. The charter members of the group represent 23 firms from all areas of the state.

The Association's main objectives are to work for the adoption and enforcement of measures which enable investment dealers to serve the public effectively and efficiently, to build an organization which can speak authoritatively for all the members of the investment industry in New Jersey, and coordinate the group's efforts on a national scale. Affiliation, both formal and informal, with other state dealers associations is already planned. Finally, the Association will conduct a full-fledged public education program, to bring to the attention of people the services offered by member firms to the residents of the state."

In addition to Mr. Weller, other members of the temporary governing committee who have been instrumental in organizing the Association are Jack Stephen Skakandy, First Eastern Investment Corporation, Red Bank; Morton Feren, Investment Planning Group Inc. East Orange; Robert Shafarman, United Planning Corp., Newark; and Robert Thaler, Jersey City.

S. Apfelbaum Co. Formed In New York City

Stanley Apfelbaum has formed S. Apfelbaum & Company with offices at 39 Broadway, New York City, to act as underwriters and engage in other related phases of the investment business. Robert Scurlock is associated with the firm as retail manager.

Mr. Apfelbaum is a practicing attorney and will continue his practice of law pertaining to securities matters.

Benedick Aids Drive

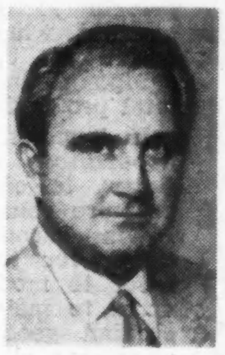
Walter Benedick, President of Investors Planning Corporation of America, will serve as Chairman of the Mutual Funds Division during the Greater New York USO's 1961 fund-raising drive according to an announcement made by Major General Melvin L. Krulewitch, USMCR (ret.), chairman of the New York State Athletic Commission and chairman of the New York USO's annual campaign.

Investment Management via Bank Trust or Mutual Fund

By Norman F. Dacey, *President, Norman F. Dacey & Associates, Inc., Bridgeport, Conn.*

Financial consultant, while paying his respects to the long record of investing achievement under bank trusteeship, hails the newer type professional management by the mutual funds. Points to their increasing use by institutions and other professionals. Mr. Dacey praises combined functioning by banks and Funds. Maintains comparative performance record of individually managed bank trusts, bank common trust funds, and balanced mutual funds shows about equal results income-wise, with Funds achieving greatest Bull Market appreciation.

Thirty-five years after the Revolution, the first American trust company was organized in Philadelphia. The institution of bank trusteeship has flourished in the years since and has played an important role in the preservation of estates in this country. Through most of those years, trust companies pretty much dominated the field of investment management.


Norman F. Dacey

True, many individuals sought the services of professional investment counsel firms but in the main it was the local trust company in each of hundreds of towns and cities across the land which assumed responsibility for the bequeathed estates of generations of Americans who sought to hand down security to their heirs. The record was not perfect—there were instances of poor judgment, generally upon the part of small, ill-equipped trust companies, and occasional neglect upon the part of large, competent banks which had so many accounts that they couldn't watch them all often enough. By and large, though, the trust companies did a good job and earned the respect which they now enjoy.

Advent of the Mutual Fund

In 1924, a new type of professional investment management facility came into being—the investment company or "mutual fund". Originally created as a means by which small investors might obtain the benefits of investment diversification and professional selection and supervision, the mutual funds have grown and prospered until now they represent the investment of more than 22 billion dollars. As more and more of the wealth of the country has gravitated toward the mutual funds, they have attracted — and been able to pay for the services of—more and more of the top investment brains in the country. This top-flight management has been reflected in a generally-satisfactory performance record. As a result, many substantial investors, who were quite capable of hiring investment counsel and of obtaining adequate investment diversification on their own, have elected instead to join the host of small investors who are participating in mutual funds. Recently, an experienced investor in New York liquidated nearly three and one-half million dollars worth of securities and placed the proceeds in a balanced mutual fund.

Popularity with "Hard-Boiled" Investors

Of even greater significance is the fact that many financial institutions now elect to go into mutual funds. Among the participants in one large fund are nearly 8,000 bank and individual trustees and insurance companies. These are not amateurs lured into mutual funds by a glib salesman. They are hard-boiled professional investors who might reasonably be expected to know how to appraise the skill of other professionals—and to be able to judge the reasonableness of the charges being made for their services. If so many of these banks and insurance companies cheerfully pay the cost of participating in mutual funds (and significantly, the great majority of them choose funds which make a sales charge rather than "no-load" funds), must they not have concluded that they couldn't do as good a job themselves nor get the same job done somewhere else ten cents cheaper?

All of this trend toward the employment of mutual funds is having a significant effect upon the institution of bank trusteeship. More and more investors who hire mutual fund management during their lifetimes seek to have those same managements continue to serve their estates and their heirs after their death. Many investors who, concerned about leaving a portfolio of individual securities to inexperienced heirs, formerly directed everything into a bank-managed trust account, now feel that they may safely bequeath mutual fund shares with their built-in management. Interestingly, an increasing number of such persons is making an arrangement with their local trust company to receive such shares at their death and thereafter to disburse income and principal as directed by the terms of the trust instrument but with the trust assets under the continuing day-to-day supervision of the mutual fund. Life insurance policies are frequently also made payable to the same trust and, in those states which permit the incorporation of the balance of one's estate into such a trust by reference in one's will, this is being done. This form of trust combines the protection afforded by a life insurance company, the investment skill of a mutual fund management and the experience and discretion of a corporate trustee in making capital available to meet family needs.

Results Un-Measurable

Since bank trust accounts are private and confidential, there is ordinarily no way by which one can measure the skill which a trustee bank has demonstrated in performing similar services for others in the past. The record of an isolated unidentified trust account is not satisfactory—accounts have varying objectives and there are bound to be a few whose objectives, as reflected in their investment policy, coincide with a current economic trend and which therefore look good. Such an account would hardly reflect a true cross section of the bank's accounts generally.

On the other hand, the comparative performance of all mutual funds is meticulously recorded in standard reference books and it is a simple matter to establish the relative ability of any fund management—to the extent that past performance is indicative of continuing capability. Naturally, in considering any such performance records, one must take into account that the years in the recent past have been ones of generally rising security prices; there can be no assurance that past performance records will be duplicated.

Comparative Performance

The contention in some quarters that mutual fund management, on balance, was superior to trust company management received unexpected support when results of a nationwide study of the comparative performance of the two were made public in a leading banking journal. ("Performance of Common Trust Funds — a 10 Year Review" by Russell Burkholder, Asst. Vice-President, Fidelity-Philadelphia Trust Co., Philadelphia—Trusts and Estates Magazine, September 1960). Significantly, the study which reflected reports from a full 60% of the nation's trust companies operating common trust funds and was therefore the most extensive of its kind ever undertaken, was made by bankers and not by mutual fundmen.

The classifications studied were as follows:

(a) Bank trusts individually invested in a balanced portfolio of bonds and stocks.

(b) Bank trusts pooled with other trusts in a "common trust fund" under bank administration.

(c) Nine leading balanced mutual funds.

An investment of $100,000 10 years ago was assumed in each instance. Here, now, are the actual income results disclosed by the survey:

(a) Bank trusts individually invested in a balanced portfolio, 4.48%.

(b) Bank common trust funds, 4.22%.

(c) Average of nine leading balanced mutual funds, 4.23%.

It should be noted that the bank trust account figures which are given, about reflect the gross earnings of the accounts before deduction of trustees fees; it is likely that such fees would reduce the bank income figure by perhaps 10%. The mutual fund income figure reflects the net dividends paid by the funds **after** deduction of the management fee and other overhead expense. The results represent an "average." Naturally, some bank trusts did better than others, but this was equally true of the mutual funds.

Let's look at the capital appreciation results—an even more significant factor in these inflationary times when capital **must** grow so that there will be more money working to produce a larger income to keep up with the rising cost of living.

Here's what the $100,000 in each account was worth after the 10 years:

(a) Bank trusts individually invested in a balanced portfolio, $124,500.

(b) Bank common trust funds, $128,400.

(c) Average of nine leading balanced mutual funds, $145,200.

It is interesting to note that the bank common trust funds outperformed the individually-managed accounts.

At first this may seem hard to understand — the common trust funds were originally established as a sort of catch-all for small, nuisance accounts which were economically impracticable for investment on their own. As the common trust funds have grown in size, they have begun to assume real importance. If for no other reason than the fact that the common trust represents the combined financial interests of hundreds of beneficiaries, it probably receives in many banks a more careful, watchful supervision than is given any one individual trust account. After all, successful trust companies with thousands of trust accounts don't have thousands of trust officers. Each officer is assigned a certain number of accounts to supervise. In many instances, he reviews the "A's" on the first of the month, the "B's" on the 2nd, and so on. That's periodic review, as contrasted with the day-to-day supervision which all large mutual funds enjoy. It is only to be expected that this more watchful supervision will be reflected in the performance figures.

Happy Partnership Ahead?

As more and more of the wealth of the country gravitates toward the mutual funds, is it not possible that trust companies may de-emphasize their investment management facilities and stress instead their capacity for exercising discretion in making funds available to suit the varying needs of beneficiaries? There is no substitute for a trust company in performing this important service. May not the trust companies and the mutual funds decide to enter into a happy partnership, each complementing the other, each performing the individual service for which time and events have proven it particularly qualified—all to the great and lasting good of the man with an estate?

Byllesby Promotes Three Executives

CHICAGO, Ill.—Strengthening of the management structure of H. M. Byllesby & Company, Incorporated, 135 South La Salle St., members of The Midwest Stock Exchange, was announced by board chairman, Arthur S. Bowes, who reported three key promotions.

C. Roderick O'Neil, research and underwriting specialist, was named Vice-President.

Harold Finley, widely known author and financial analyst, has been appointed Assistant to the Chairman of the Board.

Alvin Shapiro was appointed manager of research.

The appointments will help the company fulfill its widening responsibilities in the fields of underwriting, investment banking, and the development of companies.

With Frank Russell Co.

(Special to THE FINANCIAL CHRONICLE)

TACOMA, Wash. — George J. L. Long has joined the staff of Frank Russell Co., Inc., Rust Bldg.

With Lind, Somers

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore. — James W. Ambler is now connected with Lind, Somers & Co., 309 Southwest Sixth Avenue.

Contes Secs. Corp. Opens

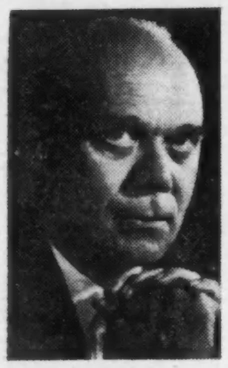
LONG ISLAND CITY, N. Y.—Contes Securities Corporation has been formed with offices at 30-46 Forty-Second Street, to engage in a securities business. Michael Contes is a principal of the firm.

My Coming Role as Head Of Canada's Central Bank

By Louis Rasminsky, *Governor of the Bank of Canada*

Newly appointed director of Canadian monetary policy, outlining his guiding philosophy, asserts while the Central Bank ordinarily has the responsibility for monetary policy, it is subject to disapproval and reversal by the Government. Asserts it should be flexibly fitted to community's objectives, such as high level employment, price stability and sustained economic growth. Emphasizes importance of concurrent fiscal, debt management and other economic policies of Government.

I have been greatly encouraged by the many public expressions of goodwill which have appeared since the announcement of my appointment as Governor of the Bank of Canada. I have decided to make public at this time my views on certain matters connected with the administration of this office. These views had been made known to the Directors and to the Government in the following form when my appointment was being considered.



Louis Rasminsky

I believe that it is essential that the responsibilities in relation to monetary policy should be clarified in the public mind and in the legislation. I do not suggest a precise formula but have in mind two main principles to be established: (1) in the ordinary course of events, the Bank has the responsibility for monetary policy, and (2) if the Government disapproves of the monetary policy being carried out by the Bank it has the right and the responsibility to direct the Bank as to the policy which the Bank is to carry out.

Bank's Independence and Responsibilities

The first principle is designed to ensure that the Bank has the degree of independence and responsibility necessary if it is, in the language of the Bank of Canada Act, "to regulate credit and currency in the best interests of the economic life of the nation". To discharge this duty the Bank must be sufficiently independent and responsible in its operations to be able to withstand day-to-day pressures from any source. But in the longer run, if there should develop a serious and persistent conflict between the views of the Government and the views of the central bank with regard to monetary policy which, after prolonged and conscientious efforts on both sides, cannot be resolved, the Government should be able formally to instruct the Bank what monetary policy it wishes carried out and the Bank should have the duty to comply with these instructions. The exercise of this authority by Government would place on Government direct responsibility for the monetary policy to be followed. If this policy, as communicated to the Bank, was one which the Governor felt he could not in good conscience carry out, his duty would be to resign and to make way for someone who took a different view.

Amendments to the Bank of Canada Act would presumably be required to deal with these points. If, however, it were agreed that the respective responsibilities should be of the general character I have indicated, there should be little difficulty in regard to the precise nature and timing of the necessary changes.

I wish, secondly, to place on record some of my views on the way in which monetary policy fits in to other public policies affecting the economic and financial welfare of the nation. I take it that the broad aim of the community is to attain, to the maximum extent possible, certain generally accepted objectives: high level employment, price stability and sustained economic growth. A flexible monetary policy is an essential element in the total blend of policies directed to these ends. In a situation characterized by large unemployment and unused capacity, monetary policy should be directed to encouraging the use of credit. On the other hand, if the economy is approaching a condition of full stretch, policy should be directed towards discouraging the use of credit.

Over-Reliance on Monetary Self-Defeating

Too much reliance on monetary policy either as a restraining or a stimulating factor would, however, lead to unsatisfactory self-defeating results. If one were to try to control the excesses of a boom period through monetary policy without adequate support from appropriate fiscal, debt management and other economic policies of Government, one would run the risk of creating great strains in the financial system in the form of intolerably high interest rates and disorganization in capital markets. On the other hand, the precise part that monetary policy can appropriately play in stimulating economic expansion is necessarily influenced by the part being played by the concurrent fiscal, debt management and other economic policies of Government. The central bank has an important part to play in influencing the trend of interest rates in a direction appropriate to the economic situation. But an attempt on its part to impose a level of interest rates which appeared unrealistic to the market would impair confidence in the value of the currency and present a serious obstacle to the orderly flow of funds through the capital market.

What is said in the previous paragraph is not meant to deprecate the contribution that monetary policy can make towards attaining the broad economic objectives of high-level employment, price stability and sustained economic growth. On the contrary, it is meant to underline the need for a careful and consistent meshing together of all the various aspects of financial policy and general economic policy in the effort to attain these objectives while avoiding undue strains in particular sectors. In particular, since monetary policy, fiscal policy and debt management policy are interdependent and to some extent interchangeable, there has to be a high degree of coordination to ensure that the blend or "mix" of these policies is purposefully directed towards attaining the overall economic objectives of the community.

Importance of Government-Bank Coordination

The views expressed above regarding the respective responsibilities of Government and Bank for monetary policy and the need for close coordination of monetary, fiscal, debt management and other economic policies point to the great importance of close and continuous contact between the Bank and the Government. I shall wish to play my full part in achieving the close working relationship with the Minister of Finance which is indispensable if the Bank is to discharge its responsibilities in a satisfactory way. I would hope to have frequent contacts with the Minister of Finance of the same character as I have had over the past years in my capacity of Executive Director of the International Monetary Fund and International Bank. In addition, in order to ensure beyond doubt that continuing high importance is attached to maintaining lines of communication, and even though such precaution may now seem unnecessary, consideration should be given to setting up a routine procedure for regular meetings at fairly frequent intervals between the Minister of Finance and the Governor.

Loewi & Co. Appoints Two

MILWAUKEE, Wisc. — Loewi & Co. Incorporated 225 East Mason Street, members of the New York Stock Exchange, has announced that Richard A. Parker has joined their organization and has been appointed Controller; also that Gerald J. Leonard has recently become associated with the company as Internal Auditor.

Mr. Parker, is a certified public accountant and was previously associated with the auditing firm of Touche, Ross, Bailey & Smart, specializing in the auditing of financial institutions.

Mr. Leonard, was associated with Pratt Mfg. Corp., Milwaukee as Controller for the past four years. Previously he was an Auditor for Power Products Company, Grafton.

Ewing V.-P. of Clark, Dodge

Clark, Dodge & Co. Incorporated, 61 Wall St., New York City, has announced the election of William Ewing, Jr. as a vice president and director of the corporation, effective Sept. 1.

Mr. Ewing comes to the Clark, Dodge organization from Morgan Stanley & Co. in which Mr. Ewing had been a partner since 1954.

He began his business career in 1935 with the J. I. Case Company, in 1940 Mr. Ewing joined Morgan Stanley & Co. but soon thereafter left for service in the U. S. Army which continued until 1945. He rejoined the firm in 1946.

Estate Planning Course on Coast

LOS ANGELES, Calif.—An Estate Planning class for mutual fund and the securities industries will be given at the Ambassador Hotel Oct. 4, 11, 18 and 25 (four consecutive Wednesdays). Rayymond Lee Zager, attorney, will be lecturer.

The course will include a discussion of the Kintner Laws and Regulations; Joint Tenancy Federal and State Laws pertaining to U. S. Bonds; new Real Estate Investment Trust Laws, etc. It is intended to give the securities salesman a basic knowledge of each of the main subjects.

Reservations should be made with Estate Planning Class, Suite 1710, Lee Tower Building, Los Angeles. Cost of tuition is $30.

J. L. Rosensteel Opens

SPRINGFIELD, Ohio — John L. Rosensteel is conducting a securities business from offices at 212 Hawthorne Road.

Grave Economic Aspects Of the Berlin Crisis

By Paul Einzig

Dr. Einzig discusses the grave economic problems posed by the Berlin crisis, and explains why stocks would be a poor hedge in a nuclear war. He hopes Britain will discard its acceptance of the recent Lord Plowden's report, which favored the idea of carrying out public works regardless of the ups and downs of the economy, and that the crisis improves labor's attitude re "unearned" income.

LONDON, England — Financial and business prospects for the next few months are obscured by the probability, verging on certainty, of an international political crisis of first-rate gravity. It seems probable that during the autumn the world will appear to be for weeks, and possibly for months, on the brink of a nuclear war. There is only one reason why I do not expect that the war threat will materialize—Mr. Krushchev is more afraid of China than of the West and for that reason would not want to destroy or weaken the West. Even so, the outlook is bound to appear highly critical and world economy will be influenced by fears of, and preparations for, a third World War.

There is bound to be in all countries concerned a certain degree of rearmament with conventional weapons. This means that manpower, already scarce in Britain and several other European countries, will become even scarcer as a result of increases of the armed forces. Moreover, the production of conventional weapons will have to be stepped up, which again increases pressure on our productive capacity.

There is a grave danger that this development will accentuate the inflationary undertone of Western economies. Unless timely and effective steps are taken to counteract the additional pressure the free world will find itself weakened at the critical moment by a rising trend of prices and an acceleration of the wage-price spiral. To avoid this it is imperative for the governments concerned to make immediate drastic cuts in public expenditure. There is very little time for elaborating substantial administrative economies, and this is not the moment for cutting social expenditure. There remains expenditure on capital investment by the public sector of the economy. No matter how important and urgent the improvements of public services aimed at by such expenditure, they ought to be deferred until the Berlin crisis has passed.

This suggestion is in flagrant conflict, as far as Britain is concerned, with the new fashion in thinking, set by a recent Report of Lord Plowden's Committee, which pronounced firmly against tampering with public investment programmes for the purpose of mitigating business cycles. Under the influence of that Report, British officials, political and public opinion has come to favor the idea of planning public expenditure five years ahead and, once planned, to carry it out in total disregard of the ups and downs of the economy. Needless to say, this policy implies that the private sector of the economy would have to bear the full burden of disinflationary measures in the form of high bank rate, credit squeeze, instalment credit restrictions or higher taxation. It may take some time before administrators, politicians, economists and the press come to realize this obvious fact, and meanwhile public capital expenditures will be looked upon as something sacrosant which must not be tampered with for the sake of mitigating inflation.

It is to be hoped that the gravity of the coming crisis will induce the authorities to discard this absurb conception. Unless some capital schemes of the public sector are deferred or cut down, the disinflationary measures necessitated by rearmament would bear too heavily on the private sector precisely at a moment when rearmament requirements call for urgent re-equipment and for an increase of total productive capacity.

In itself curtailment of capital expenditure would not be sufficient to offset the additional pressure caused by rearmament. It has become more important than ever to induce organized labor to modify its attitude. In order to maintain the output of civilian goods in spite of re-armament, all restrictive practices must be eliminated. Until now this was merely to the interest of raising the standard of living, but now the freedom of the Western world is at stake.

Labor's Attitude

It would indeed be deplorable if even amidst a dangerous crisis trade unions could only think in terms of squeezing the maximum of advantages out of the community in return for the minimum of service to the community. Yet this seems to be the attitude of the trade unions at any rate in Britain. While in Russia organized labor has offered to work longer hours to strengthen the government's hand over the Berlin crisis, over here the trade unions are making preparations to defy the government's attempt to prevent "unearned" wage increases. It is to be hoped that the approach of the crisis to a climax will bring trade union leaders and their rank and file to their senses.

The effect of an aggravation of the Berlin crisis on foreign exchange is difficult to foresee. If it were certain that a war would be fought exclusively with conventional weapons its threat would result in a sweeping flight from the European currencies. But the possibility of a nuclear war, however remote, makes it difficult for anyone seeking safety to give preference to the currency of any country which is liable to be attacked with H bombs. In the circumstances there seems to be a strong likelihood of an increase of demand for gold all over the world.

Remote fears of a nuclear war are also likely to counteract the effect of the anticipation of re-armament inflation on the Stock Exchanges. It is true industrial equities may provide a good hedge against inflation. But the remote possibility of wholesale destruction of industries tends to reduce this attraction. Admittedly in most countries private interests were compensated after the last war for war losses they suffered through physical war damage. The extent of such destruction would be, however, so immense in a nuclear war that compensation might well become financially impossible without bringing about runaway inflation. Once this consideration comes to be realized it will check any Stock Exchange boom resulting from any improvement of business prospects.

Supermarkets and Utilities Offer Fine Investment

By Roger W. Babson

Dean of financial writers explains his speculative preference for supermarkets, and for cumulative preferred stocks of public utilities for steady income. He, also, advises young couples to purchase a small house next to a modern supermarket in illustrating his bullishness for successfully established supermarkets and the neighborhoods in which they are located.

The New York Stock Exchange roughly divides into 50 groups the approximately 1,500 stocks which are listed thereon. The electronics and the oils are the most active, but the retail stores have shown the most steady progress. This group includes the supermarkets, of which there are about 25 large chains.

Supermarkets Are A Monopoly

A successful supermarket must have three requirements: (1) It must be located in the center of a growing population (2) it must have a very large parking space; (3) it must be financed slowly out of its own growth. This means that a successful supermarket is more or less of a monopoly after a sufficient number of successful years.

As our population increases it becomes constantly more difficult to secure a sufficiently large and central location. Furthermore, these locations are constantly becoming scarcer and much harder to find near the residential sections: At one time we thought that "off street" parking lots would satisfy city shoppers. Unfortunately, however, women with children do not want to travel from an "off street" parking lot to the supermarket. They insist on parking directly on the land of the supermarket where a boy can wheel the purchases to the woman's car and where there is no time limit or parking fee.

Importance of Food

Food is the most important of all commodities. The farmer should receive more than he does, but his price is not for him to determine. The party who makes money on food is the middleman, who buys when and where food is cheapest.

Another commodity that has had a steady increase in demand is electricity. Hence I like supermarkets as a speculation and the cumulative preferred stocks of public utilities for steady income. To keep track of your investment, buy the common stock of the supermarket with which you trade and the preferred stock of the company which supplies your electricity and bills you each month.

What About Shopping Centers?

Shopping centers are popular at the present time. But only the ones properly located have been successful. Merchants located in these shopping centers are doing much better than the downtown stores. Many of the old-fashioned city stores which have no parking facilities are making most of their money today from their suburban branches that have limited parking facilities. Therefore, the shopping center has its limitations.

If a shopping center is too large, it becomes less desirable to many women shoppers. Many shopping centers today are doing three-quarters of their business on Friday and Saturday. Then the father, mother, and children all go together and make a day of it. All of this brings us back to the value and convenience of the supermarket which is properly located in a residential district and which has already purchased a large amount of land that will permit free parking for many years to come.

An Investment for Young People

Young married couples are learning that by living close to a modern supermarket (like the new Stop and Shop Markets) they can get along without cooking. The father can get his own breakfast; lunch is a simple meal; and a freshly baked already-cooked complete dinner may be secured from the supermarket. As a result, the small houses surrounding the supermarket have almost doubled in price. This increase in demand comes primarily from living so near a supermarket. But, of course, the supermarket is gradually buying houses adjoining its land.

A young married couple should first put their money into simple life insurance, which can now be bought very cheaply. Next, always have a reasonable deposit in a local bank for emergencies. The best plan of all, however—both for the convenience and as a good investment for appreciation—is to own a small house next to the land for a supermarket. Furthermore, if a family decides to move to another city for business reasons, there is always a good demand for such property. In short, I am bullish on good supermarkets and the neighborhoods in which they are located. But one should avoid newly organized supermarkets.

Nuveen Opens Phila. Office

John Nuveen & Co., the oldest and largest organization in the United States dealing in tax-exempt securities exclusively, has opened its newest regional office in Philadelphia, according to Chester W. Laing, President. Frederick P. Engstrom, formerly a sales representative in the company's New York office, has been appointed Regional Manager for Pennsylvania with headquarters at 123 South Broad St., Philadelphia.


F. P. Engstrom

Mr. Engstrom has been associated with Nuveen for four years.

The Philadelphia operation of Nuveen will be tied into the company's private wire system providing communication with its headquarters in New York and Chicago and regional offices in principal cities.

Lesser Joins J. Barth Co.

OAKLAND, Calif. — Richard S. Lesser has become associated with J. Barth & Co., Financial Center Building. Mr. Lesser was formerly a partner in Lawson, Levy, Williams & Stern, with which he had been associated for many years.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The money market is operating in a narrow range, probably influenced in some measure by the impending new money raising venture of the Treasury, the announcement of which should be out of the way by the end of the month or the early part of October, as well as by the uncertain international situation.

The capital markets are still on the quiet side, even though the talk about an "advance refunding" operation has created a modest amount of interest in the securities that might be involved in this supposedly impending operation. The World War II $2\frac{1}{2}$'s due in 1970 and 1972, the issues expected to be the ones in the "advance refunding" venture, along with the longest Government obligations have been getting some attention in an otherwise inactive market.

The trend of bank loans will be watched very closely this fall by nearly all money market observers because what happens to the loan curve will have an important bearing on interest rates.

Current Interest Rates to Prevail

In the opinion of many money market specialists, the interest rate pattern which has been in operation in the recent past is not likely to change very much in the foreseeable future. These beliefs take into consideration the fact that the Treasury during this period will not only be engaged in new money raising ventures, but also "advance or forward refunding" operations will have been undertaken. It is evident that the monetary authorities have kept the money and capital markets well supplied with funds so that the needs of business, commerce and agriculture have been well taken care of. There is no question but what this course will be followed in the fall and winter which means there will be no shortage of funds to keep the economy on a high level.

This does not seem to indicate any real tightening of credit conditions or any appreciable increase in interest rates since there is not likely to be any boom conditions in the making as long as the unemployed remain as large as they have been. There is no doubt in the minds of most money market observers but what the monetary authorities will take restrictive action in order to prevent inflation and a boom and bust. However, on the other hand, as long as there is no inflation psychology in the economic situation money rates and credit conditions will most likely be easy enough to keep this growth on a steady incline.

It appears as though there will be no repetition of what took place in the last half of 1958 when interest rates were pushed up fairly rapidly because of the sharp demand for funds due to the expansion which was going on in the economy. As far as the balance of this year is concerned, it appears that there will be the usual seasonal demand for funds, there is no evidence yet that these loans will reach proportions that would lead to unusual conditions such as those bordering on a boom which would bring about restrictive action by the monetary authorities.

Lull in Corporate Borrowings To Continue

As far as the capital markets are concerned, aside from a "forward refunding" operation which could add to the floating supply of long-term Government bonds temporarily, there should not be very much of an increase in the demand for long-term funds as far as the corporate sector of the market is concerned. The heavy flotation of corporate bonds in the Spring and early Summer most likely means that there will be a continuation of the lull which has been in effect recently. Even though there could be a modest step-up in new corporate bond offerings during the balance of the year, the heavy flotations earlier this year in order to beat a rise in interest rates appears to indicate a reduced volume of new corporate bonds for the early future.

As far as tax exempt bonds are concerned, there appears to be no slowing down in the new emissions in this group this year. And, in addition, there seems to be no shortage in the already outstanding supply of the tax sheltered issues. The Federal Government will not be adding directly to the supply of bonds in the capital market unless there is a complete reversal in current new money and refunding operations.

Therefore, it seems as though the money and capital market will be going into the latter part of 1961 with no important changes in policy indicated, since the boom conditions which would bring to an end the present policy of ease are not yet prominent on the horizon.

Dun & Bradstreet Sales Course

Dun & Bradstreet, in line with its program of guidance to profitable business management, is announcing a new home study Sales Training Course to be ready in mid-September, according to Fred H. Brockett, president.

Mr. Brockett stated that recent studies showing mounting sales costs and stiffening sales competition render the role of the individual salesman in our economy more difficult yet more vital than ever before.

Made up of 12 study units, each consisting of an average of two chapters, the Sales Training Course is mailed one unit every two weeks. Each study unit closes with questions on the text and exercises based on the salesman's individual selling situation. These are answered by the student and returned to D&B for checking by a course instructor assigned to work closely with the individual salesman. A Certificate of Accomplishment will be awarded those who successfully complete the Course.

Subjects covered include personality development, building the powers of persuasion through motivation, through product knowledge, presentation preparation, winning attention and confidence, meeting objections, and successful techniques. The fee for the Course is $95.

In Securities Business

BROOKLYN, N. Y.—Richard Temple Inc. is conducting a securities business from offices at 44 Court Street. Jack Sterngass is a principal of the firm.

The Paperboard Industry In an Expanding Economy

By John R. Kennedy,* *President, Federal Paperboard Company, Inc., Bogota, N. J.*

Without glossing over the current problems affecting the paperboard industry, Mr. Kennedy highlights the forces he sees formulating encouraging prospects for the years ahead. The industrialist reviews the present problem of excess capacity and measures to relieve it, comments on the growing integration trend from raw material to end-product, and notes the intra-industry merger movements strengthening the industry on the whole.

There are two major divisions of "The Paper Industry"—*Paper and Paperboard.*

The total production of the paper industry in 1960 was 34,282,000 tons, of which 15,930,000 tons, or 46%, was paperboard. My remarks will be confined to "paperboard."

John R. Kennedy

The production of papeboard is divided into two divisions: Container Board and Boxboard. In 1960, the production of these boards amounted to: Container Board, 9,565,000 tons; Boxboard, 6,365,000 tons; Total, 15,930,000 tons.

Container board is the basic board used to make what many refer to as a "corrugated box." It is known in the trade as a shipping container or just plain container. These are the containers that producers of breakfast foods, or detergents, or canned goods use to ship their individual packages, cartons, or cans of their products.

Boxboard is the basic board in the making of the individual cartons for the packaging of every conceivable article produced by industry.

In 1960, the end use of the products packaged in folding cartons was as follows:

Medicinal, cosmetics and soaps	20%
Dry and liquid foods and candies	37
Beverages & tobacco	12
Apparel, sports goods, etc.	10
Hardware and appliances	8
Paper goods and miscellaneous	13
	100%

Americans use, in one form or another, an average of between 165 and 170 pounds of paperboard products per year per person . . . all 183 million of them. This is one of the reasons why paperboard is used as an economic index.

Along with what is called our population explosion, we are also experiencing a substantial growth within the present market. This growth is stimulated by the increasing number of items being packaged in folding cartons and shipped in corrugated containers.

Many Changes Occur

We in the fast-moving, active paperboard industry have to keep our weather vanes and our radars in good working order to detect any indication of a change in the economic climate. We cannot sit back and presume that everything will remain in status-quo. There are many changes in the making.

For example, we as an industry must be concerned with new types of material which are coming into use for packaging. Plastics, metal foils, laminates of various kinds, and combinations of all of them, are bringing about changes — changes in application and in technique—but despite the advent of these materials the use of folding cartons and containers continues to rise.

The well-managed operation within the paperboard industry is prepared to meet such changes as they develop, but alertness must be the watchword. This industry is not at the mercy of a whimsical fate. It is an integral part of a modern society whose expanding consumer desires mean more demand for paperboard.

The products of the paperboard industry are necessary not only to the low-cost distribution of consumer goods but in addition thereto they are playing an increasingly important role in the marketing and merchandising programs of individual manufacturers and distributors. Additionally the paperboard industry is a direct beneficiary of population growth and the increases in disposable consumer income. Other economic and social forces also exert powerful and favorable influences in behalf of the paperboard industry.

Working Wives

This is the day of working wives—and there are more than 13 million of them. Their take-home pay has not only supplemented family income, it has brought about the need for time saving foods which, combined with increased family income, make up one of the strong economic forces behind the paperboard industry.

It has already brought a vast increase in the demand for packaged foods: semi-prepared foods, table-ready foods, frozen foods of every kind and variety.

Yet no less an authority than Mr. W. B. Murphy, President of the Campbell Soup Company, made the statement only last May—that frozen foods sales had, at that time, reached only about 5% of food store sales. He stated that though sales of frozen foods were increasing steadily, 40% of the nation's homes rarely ever used any frozen food at all. He foresaw an increase of 44% in sales of food and related items by 1963.

The economic impact of the employed homemaker (married or single) has made itself felt in many other ways. It has contributed to the growth of the quick-shopping, self-service super-market where the package is the salesman for some 6,000 different items (in the average market) ranging from asparagus to zip toys! Only 10 years ago, the average market carried less than 4,000 items, an increase of more than 50% in 10 years.

This is another one of the social and economic forces

New Family Growth

The United States census of 1960 reports 13,800,000 persons in the age bracket of 19 to 24, the group in which we find young married couples establishing new households and becoming new family units. Population experts have estimated that this figure—within the next five yeares—will reach 17,200,000 an increase of 25% by 1966. Out of this group there were 1½ million marriages in 1960 — a million-and-a-half new family units established. By 1966, only five years from now, it is estimated that this figure will be two million a year, and in the meantime there will have been established between six and eight million new homes.

The great majority of these new families will be customers for packaged foods and other packaged consumer items. The type of retail outlet, whether it be a large modern super-market unit in a large chain or one of the few remaining independent country stores, makes little difference. Once a manufacturer of consumer goods packages his products in a sanitary and displayable carton he must pursue a uniform policy in his packaging plans to retain the product's identity in the market place. In any event, he must move his product to the market and there is no better way of doing so than with a carton which combines utilitarian use with sales value.

The wants and the needs of this new army of customers, however, or wherever they may shop, must be satisfied. In the light of these facts, which are probably as accurate as any indicator that exists, it doesn't require a crystal ball to predict a continuing increase in this industry's volume.

Shorter working hours with more leisure is another social force, which becomes another economic factor impinging favorably upon this industry. More leisure-time combined with more spendable income, adds up to wider interests and broadened desires. The gratification of these desires adds up—in the market place — to more impulse buying, more sales of convenience goods and other items. And again, I repeat, the bulk of these sales are in self-service departments and supermarket types of retail outlets "where the package is the salesman."

Power of Packaging

In a recent speech before the American Management Association, Mr. Walter N. Plaut, President of the Lehn & Fink Company, made some interesting remarks. He said: "The power of packaging can change entire industries, can create competition upheavals, and is becoming increasingly more important to management under the current conditions of self-service shopping habits and attitudes." A well-known slogan, used some years ago by a popular dentifrice, has indeed become a truism for every type of consumer goods: "We couldn't improve the product, so we improved the package." These statements reflect some of the economic forces behind the paperboard and carton industry, a demand from our customers for new and better packages.

There are many other examples of the growing use of the self-selling package outside the food, drug, and cosmetic industries. Textile and apparel industries, the hardware trades, home furnishings and equipment, and the thousand and one specialty items used by householders everywhere —all are joining the parade of products across the self-selling counters and display cases of America.

These are some of the things I meant when I mentioned a growing market within our present population. They are also the things of which Mr. Plaut was speaking. Add these changes in personal buying habits and the constant increase in disposable income to our fast-growing population and you have an impact that makes itself felt wherever market-wise men stop, look and listen. These changes in living patterns, in family economics, and buying habits, combine to make up the social forces and growth pressures behind the paperboard industry. They are all a part of the present and the future of this industry.

There is a trend toward integration in the paperboard industry, from raw material to end product. For example, in 1960, one-third of our company's entire paperboard production was converted into folding cartons, fabricated within our own plants. We expect that this percentage will continue to increase. We expect this notwithstanding the fact that in the carton business you must increase your interests automatically in the graphic arts. You become involved in letterpress, gravure, lithography, structural design and—to serve our customers better—in mechanical packaging.

Not Just Cartons

The carton industry may no longer be content just to make cartons. Rather, we must adopt the philosophy and the zeal of the second of two workmen who had just started an excavation for the foundation of a new cathedral. An interested passerby (frequently referred to as a sidewalk superintendent) stopped to inquire as to what they were doing. The first workman, through the shortness of his vision, replied, "I'm crackin' rocks for 7 bucks a day." The second workman blessed with the insight of a true craftsman replied, "Why, I'm building a cathedral."

So, our industry today contributes to the social, cultural and living standards of the nation. It has become part and parcel of the sales department of each and every customer (be he a manufacturer or a distributor), and like the skilled craftsman of our little story, we are "building retail salesmen" for our customers' goods. The carton we help to create must successfully compete with other packages by its utilitarian value and its attractive display on the shelves and counters of retail outlets, and these cartons must be shipped in containers—to a rapidly growing America.

Industry's Problems

Problems? Well, there are always a few.

One of the problems that is ever before us is the human tendency to follow old ways. It permeates all industry—the tendency to do the same thing today we did yesterday, in the same way. That way lies obsolescence. So we must be ever alert in trying to find the new and the better. To try new ways of using old materials, to try new materials in the tried and proven old ways, to try new materials in the new ways, and the many combinations of all these. That means new and better machinery, new and better research, new materials and a combination of all three. New designs, new artwork, new typography, new inks, new colors and new combinations of all these. It means that those within the industry must meet intro-industry competition by better selling methods, better production methods, better materials, which will mean we are helping our customers to sell more and better. "Building cathedrals," not just "crackin' rocks."

In discussing the condition of our industry before our company's stockholders at the last annual meeting, I made some remarks that might bear repeating concerning the present cost/price squeeze and its consequent effect upon earnings. I am sure they are pertinent. The remarks to which I refer are as follows: "As in many other industries, there exists some overcapacity in our industry. This overcapacity, however, is not so great as to be the determining factor in the unsettled conditions and lower earnings experienced by the industry. Sound, constructive industry marketing practices and policies would do much to re-establish proper earning ratios."

Within recent years there have been a number of intra-industry acquisitions or mergers. They have resulted from efforts to increase over-all efficiency and lower the cost of operations. There have been some maladjustments during the transition period, but on the whole, these moves have strengthened the paperboard industry.

Let me briefly summarize and inject one or two current statistics that I think are interesting.

In January of 1961 paperboard orders were off 6% from January, 1960. In February, they were off 1.7%, but in March they were 2.9% above March of 1960. April showed some indications of a continuance of this trend, and for the first time in a year, unfilled orders were higher than a year earlier.

Excess capacity, be it imaginary or real, presents some problems. The extent of these problems is determined in a large measure by the merchandising policy pursued, and the speed with which we develop new markets.

Our national capacity to consume will set the pace. In the long view temporary dislocations are characteristic of a growing industry—they are the dislocations of today but they lead to the strength and stability of tomorrow.

The economic balance of supply and demand will be brought about by the march of time. The time element can be shortened by sound merchandising policies and aggressive research in the field of packaging.

*An address by Mr. Kennedy at the paper forum, 14th Annual Convention of the National Federation of Security Analysts, Richmond, Va.

Houston Hill Co. Opens on Coast

SAN FRANCISCO, Calif.—Houston Hill, Jr. has announced the formation of Houston Hill, Jr. & Co. with offices at 405 Montgomery Street, to engage in a Securities business. Mr. Hill was formerly senior vice-president of J. S. Strauss & Co. with which he had been associated for many years.

Houston Hill, Jr.

Laird, Bissell Wire to Chicago

Laird, Bissell & Meeds, 120 Broadway, New York City, members of the New York Stock Exchange, have announced the opening of a direct private wire to Stewart Miller & Co., Inc., 209 South La Salle St., Chicago.

Form First Bronx Inv.

First Bronx Investing, Inc. is engaging in a securities business from offices at 2578 White Plains Road, New York City. Officers are Joseph A. Alfieri, President and Jack Artale, Vice-President.

Forms Functional Secs.

ASTORIA, N. Y. — Vincent J. Posillico is engaging in a securities business from offices at 2309 28th Street under the firm name of Functional Securities.

The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
Business Failures
Commodity Price Index

The defense measures taken by the government as a result of the Berlin crisis will speed business recovery and lead to a higher level of production, employment and income than was originally expected by Dr. Marcus Nadler, consulting economist to *The Hanover Bank*.

In a report, "Berlin's Impact on the Economy," published by The Hanover Bank, Dr. Nadler comments:

"Spending by the ultimate consumer will be stimulated, leading to an acceleration in the accumulation of inventories and later to higher corporate capital expenditures. These developments will have a favorable effect on employment, reducing the ratio of unemployed to the total labor force. The greater volume of business should be favorable to both corporate profits and government revenues."

Dr. Nadler foresees the upswing in business activity continuing in the first half of 1962 since the effects of increased defense expenditures will then come to full fruition. He feels that sustaining business activity on such a level will depend in part on whether or not inflationary pressures are renewed.

Viewing a sharp increase in prices and wages in the near future as unlikely, Dr. Nadler warns:

"A renewal of the wage-price spiral will aggravate the balance of payments position, cause a loss of confidence in the international position of the dollar and renew the outflow of gold. A renewal of inflationary pressures will not only increase the costs of national defense, but in the long run will hamper our rate of economic growth and lead to large-scale unemployment."

Dr. Nadler feels that the demand for credit will reflect the improvement in business activity and the large Federal deficit.

"A moderate increase in interest rates is to be expected. A repetition of the credit stringency that prevailed in 1959 is not likely and the Reserve authorities will furnish the commercial banks with the necessary reserves to meet the legitimate credit requirements of industry and trade."

The security of the nation, Dr. Nadler concludes, rests on both a strong military posture and a sound economy.

"To strengthen the former at the expense of the latter reduces the ability of the United States to defend itself and the rest of the free world against Soviet aggression and subversion.

"The need to increase defense expenditures makes it imperative to reduce non-defense outlays, eliminate waste, increase productivity and practice moderation in price and wage policies. The adoption of sound economic policies by government, management and labor will be as strong a deterrent against Communist aggression as strong military preparedness."

Bank Clearings for Week Ended Sept. 2 Were 2.8% Above the Corresponding 1960 Week

Bank clearings last week showed an increase compared with a year ago. Preliminary figures compiled by the *Chronicle* based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Sept. 2, clearings for all cities of the United States for which it is possible to obtain weekly clearings were 2.8% above those of the corresponding week last year. Our preliminary totals stand at $25,963,308,741 against $25,259,683,576 for the same week in 1960. Our comparative summary for the leading money centers for the week follows:

Week End. Sept. 2—	(000s Omitted) 1961	1960	%
New York	$13,759,523	$13,587,242	+ 1.3
Chicago	1,285,186	1,344,534	+ 4.4
Philadelphia	1,061,000	996,000	+ 6.5
Boston	796,928	761,537	+ 4.6

Steel Market Recovers, New Orders Gaining at an Accelerating Rate

The steel market has recovered, the *Iron Age* reports. For several weeks, new orders have been gaining across a broad base of products and at an accelerating rate.

The improvement will make September the best month of the year to date, and assures further improvement for the fourth quarter.

The firming of the market has been accomplished without any great surge of automotive steel buying, and without any inventory buildup. When the auto industry's labor troubles are over, and when major steel users move to rebuild steel stocks, the market will strengthen even more.

Encouraging to the steel industry, the *Iron Age* notes, is the broad range of products that are showing strength, and also the wide range of consumers buying steel at a greater rate.

The magazine says the industry should now produce 100 million tons of ingots this year with relative ease. Furthermore, the industry should be producing steel at a rate of better than 80% of capacity in the fourth quarter. Some individual companies will exceed that rate by a good margin.

Surprising strength is noted in heavy plates and structurals. Manufacturers wire, sometimes considered a barometer of overall industrial strength, is one of the surprises of the recent upsurge of new orders.

Steels tied to construction are moving up well. Appliance builders are ordering more steel for the fall upturn in production. Farm equipment, which had been expected to tailspin because of the drought and other factors, has shown no worse than expected seasonal declines.

Steel warehouses expect a 10% gain in September over August, which, in turn, showed an upturn of 5% over July for service centers. Service centers are blowing hot and cold on inventories, but some buildup is likely in view of the improved sales and forecasts.

It is estimated that steel is now being consumed almost 30% faster than at the low point this year. The rate of consumption alone accounts for the improved rate of sales. This means there is virtually no inventory buildup in evidence and steel stocks, nationally, still hover around 12 million tons. This is considered too low to sustain an improved rate of business comfortably.

This means that even though steel users are determined to operate with low levels of inventory, and are still convinced they can expect relatively fast delivery, some buildup has to result.

Delivery promises are lengthening out. Consumers will not be able to count on fast shipments characteristic of earlier this year.

Steel Production Data for the Week Ended Sept. 2

According to data compiled by the American Iron and Steel Institute, production for week ended Sept. 2, 1961 was 2,030,000 tons (*109.0%), 0.5% above the output of 2,020,000 tons (*108.4%) in the week ended Aug. 26.

Production this year through Sept. 2 amounted to 62,140,000 tons (*95.3%) or 15.8% below the period through Sept. 2, 1960.

The year to date production for 1960 through Sept. 3, 1960, 35 weeks, was 73,785,000 tons or 113.2%.

The Institute concludes with Index of Ingot Production by Districts, for week ended Sept. 2, 1961, as follows:

	*Index of Ingot Production for Week Ending Sept. 2, 1961
North East Coast	114
Buffalo	96
Pittsburgh	101
Youngstown	92
Cleveland	123
Detroit	132
Chicago	108
Cincinnati	119
St. Louis	119
Southern	111
Western	118
Total	109.0

*Index of production based on average weekly production for 1957-1959.

Despite Political Pressures, Odds Still Favor Steel Price Hike

Despite political pressures against higher steel prices, the odds are about 3 to 2 in favor of an upward adjustment around Oct. 1, *Steel* magazine said.

Its reasoning:

The business climate is steadily improving. Industrial production is at a record high. Durable goods orders are rising. The sales outlook for new cars is excellent.

Steel demand is nearing a level that industry leaders feel will support an increase. Production is at the year's highest rate (about 74% of 1960 capacity), and there's no letup in sight.

Steelmaking costs will go up another $2 to $3 a ton on Oct. 1 when the United Steelworkers get the third installment of the wage package they negotiated in January, 1960. Since the last general price increase in August, 1958, the hourly cost of wages and benefits has gone up about 10%, but steel prices have gone down 0.6%.

Steel magazine says to look for a selective price hike averaging $4 to $5 a ton. By raising prices that much, steelmakers will recover only part of the added costs they have incurred since the last price hike. On Oct. 1, the cumulative impact of employment cost increases since August, 1958, will be at least $8 a ton on finished steel.

Action on the big tonnage products — carbon sheets, plates, structurals, and bars—is almost a certainty.

Less likely to be bumped are products that face stiff competition from imports, other metals, and nonmetallics. They include tin plate, reinforcing bars, electrical conduit, and merchant wire products.

Stainless steel producers would like to boost their prices at least enough to compensate for the June 30 boost in the price of nickel. Since the recent price cutting in stainless has resulted mainly from sharp competition among distributors, it does not preclude an upward adjustment at the mill level.

Industry observers cite continuing threat of imports when they predict that steelmakers will not adjust prices across the board.

In the first half, we had a foreign trade deficit volumewise —exports of 890,000 tons vs. imports of 1,286,000 tons — but a favorable balance dollarwise. Our exports were valued at $198 million. Imports were worth $161 million.

Barring an impasse in auto labor negotiations and a protracted strike, steelmakers expect September to be a banner month.

Weekly operations are at the highest level since the week ended May 9, 1960. Last week's output was 4% higher than the previous week's.

The upswing will be checked only slightly this week by the Labor Day holiday. *Steel* expects ingot production will be close to the 2.1 million tons it estimates were poured last week. August production was about 8.7 million ingot tons vs. July's 8.1 million.

Steel's price composite on No. 1 heavy melting grade of scrap rose 34 cents last week to $38.67 a gross ton. Traders are looking for higher prices this fall.

Production of 1962 Model Cars 71% Above the Same Period Last Year

General Motors Corp., the UAW's strike target, is leading the auto makers to a strong gain in new model production over last year, *Ward's Automotive Reports* said.

The statistical service said the auto makers have produced 161,000 of the 1962 model cars compared with only 50,000 of the 1961 models at this time last year.

GM Corp., building nearly 100,000 of the 1962 models to date, has accounted for virtually all of the gain. Last year it did not commence building 1961 models until early September.

Ward's estimated car output in U. S. plants at 88,534 units this week — the 46% increase over 60,645 last week reflecting new model momentum.

Production for this week ran 71% above the 51,647 produced in the same period of 1960.

The reporting service described output this week as "steady" with virtually all of the industry's car plants in operation on a five-day schedule.

The only inactive assembly points were Ford at Dearborn and Atlanta, down for conversion to production of the new Fairlane series, set to bow publicly in early November. Ford's St. Louis plant remained idled by a strike.

Ward's said GM plants commenced building new models week ended August 19 this year, compared with week ended Sept. 6 last year.

Chrysler Corp., in contrast, has a later start-up date—week ended Aug. 26 for the 1962 models vs. week ended Aug. 6 for the 1961 models a year ago.

Ward's said GM Corp. took 58.7% of the U. S. car output this week, with Ford Motor getting 28.1%, Chrysler Corp. 7.2% and American Motors 3.4%. The Studebaker-Packard Corp. share was 2.6%.

For most of five major companies this week marked only the second for 1962 model assembly.

Ward's said that in the first weeks of new model output GM Corp. has built 31,000 more cars, or 46% more than in the similar period of 1961 model assembly, featuring a quicker buildup in production tempo that, barring a strike, may well be characteristic of the industry.

Business Failures Down Again For Week Ended Aug. 31

Commercial and industrial failures, declining for the second consecutive week, fell to 321 in the week ended Aug. 31 from 352 in the preceding week, reported Dun & Bradstreet, Inc. Although casualties dipped the lowest since July 27, they continued considerably above the 288 occurring in the similar week last year and the 308 in 1959. Some 40% more con-

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STATE OF TRADE AND INDUSTRY

Continued from page 15

cerns succumbed than in prewar 1939 when the toll was 229.

Failures with liabilities of $100,000 or more held steady at 36, the same as in the prior week, but were up fractionally from 33 of this size a year ago. Casualties involving losses under $100,000 dipped to 285 from 316 last week. They remained above their 1960 level of 255, however.

Most of the week's decline was concentrated in manufacturing where the toll dropped to 41 from 71. While there was a mild dip in construction to 51 from 56, retailing casualties held even at 154 and slight increases lifted wholesaling to 41 from 38 and commercial service to 34 from 33. More failures occurred than a year ago in all industry and trade groups except manufacturing.

Six of the nine major geographic regions reported lower tolls during the week. There was an appreciable downturn in casualties in the East North Central States to 59 from 74, a moderate dip in the Pacific States to 69 from 79 but only fractional changes in other areas. The Middle Atlantic toll was off to 97 from 98 and the South Atlantic to 35 from 39. Business mortality ran above a year-ago levels in six regions but fell short of 1960 in the South Atlantic, East South Central and Mountain States.

Twenty-two Canadian failures were recorded as against 24 in the preceding week and 33 in the comparable week a year ago.

Lumber Shipments Were 4.5% Behind 1960 Volume

Lumber production in the United States in the week ended Aug. 26, totaled 226,026,000 board feet compared with 229,029,000 board feet in the prior week, according to reports from regional associations. A year ago the figure was 233,370,000 board feet.

Compared with 1960 levels output declined 3.1%, shipments dropped 4.5% and orders fell 6.7%.

Following are the figures in thousands of board feet for the weeks indicated:

	Aug. 26 1961	Aug. 19 1961	Aug. 27 1960
Production	226,026	229,029	233,370
Shipments	229,395	227,145	240,270
Orders	217,513	216,925	233,181

Electric Output 5.6% Higher Than in 1960 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Sept. 2, was estimated at 16,214,000,000 kwh., according to the Edison Electric Institute. Output was 723,000,000 kwh. above that of the previous week's total of 15,491,000,000 kwh. and 861,000,000 kwh., or 5.6% above that of the comparable 1960 week.

Intercity Truck Tonnage 4.6% Ahead of Corresponding Week Last Year

Intercity truck tonnage in the week ended Aug. 26, was 4.6% ahead of the volume in the corresponding week of 1960, the *American Trucking Associations, Inc.*, announced. Truck tonnage was 2.6% above that of the previous week of this year.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Department of Research and Transport Economics. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

The terminal survey for last week showed increased tonnage from a year ago at 23 localities. Eleven points reflected tonnage decreases from the 1960 level. Truck terminals at three centers showed gains of 20% or more; these were Birmingham up 22.9%, Charlotte 22.2%, and Dallas-Ft. Worth 20.0%. Eight other terminal areas showed increases of over 10%. Only Baltimore truck terminals showed a sizable decrease in traffic.

Compared to the immediately preceding week, 22 metropolitan areas registered increased tonnage while 12 areas reported decreases. Milwaukee results were influenced by one major terminal which was reported shut down during the previous week.

These findings like those in other recent weeks, reflect a seasonal upturn as well as a steady improvement in motor freight volume as compared to last year's depressed traffic.

Freight Car Loadings Were 5/10ths of 1% Below Same Period Last Year

Loading of revenue freight in the week ended Aug. 26 totaled 592,265 cars, the Association of American Railroads announced. This was a decrease of 2,889 cars or five-tenths of 1% below the preceding week.

The loadings represented a decrease of 2,699 cars or five-tenths of 1% below the corresponding week in 1960, but an increase of 43,388 cars or 7.9% above the corresponding week in 1959 (during the steel strike).

Loadings by commodity groups for the week ended Aug. 26, as compared with the corresponding week of last year and the preceding week of this year, follow:

There were 11,530 cars reported loaded with one or more revenue highway trailers or highway containers (piggyback) in the week ended Aug. 19, 1961 (which were included in that week's over-all total). This was an increase of 724 cars or 6.7% above the corresponding week of 1960 and an increase of 3,458 cars or 42.8% above the 1959 week.

Cumulative piggyback loadings for the first 33 weeks of 1961 totaled 360,967 for an increase of 12,550 cars or 3.6% above the corresponding period of 1960 and 103,742 cars or 40.3% above the corresponding period in 1959. There were 58 class I U. S. railroad systems originating this type traffic in the current week compared with 55 one year ago and 50 in the corresponding week in 1959.

Wholesale Food Price Index Dips Slightly

After holding even for three weeks, the Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., dipped slightly below the prior week and was also off fractionally from the comparable level last year. On Sept. 5, the index stood at $5.96, down 0.5% from $5.99 a week earlier and off 0.3% from $5.98 on the similar day of 1960.

Lower in wholesale cost this week were corn, rye, beef, hams, lard, coffee, peanuts, potatoes, and steers. These declines, however, were partially offset by the higher prices quoted for wheat, bellies, cheese, cottonseed oil and hogs.

The Dun & Bradstreet, Inc. Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Levels Off in Latest Week

The general wholesale commodity price level changed only fractionally in the past week, reports Dun & Bradstreet, Inc., but it continued considerably higher than last year. Prices quoted for corn and oats turned down noticeably in the week just ended, and there were fractional dips in prices for wheat, rye, coffee, steers, lambs, and hides. However, these declines were offset by slight rises in lard, sugar, hogs, cotton, rubber and tin prices.

The Daily Wholesale Commodity Price Index stood at 273.23 (1930-32 = 100) on Friday, September 1, a slight dip from 273.88 in the prior week but appreciably higher than the 266.59 on the corresponding day a year ago.

Consumer Buying Perks Up for Week Ended Aug. 30

Retail purchases, bolstered by heavier interest in back-to-school merchandise, fall coats and linens, rose moderately in the week ended this Wednesday, Aug. 30, and edged above year-ago levels. However, mixed trends were encountered in selling of housefurnishings, a lull appeared generally in men's wear, and automobile sales continued down.

The total dollar volume in retail trade in the week ended this Wednesday was 1% below to 3% higher than in the previous year, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from comparable 1960 levels by the following percentages: East North Central +1 to +5; West North Central, East South Central and West South Central 0 to +4; New England, Middle Atlantic and South Atlantic —1 to +3; Mountain —2 to +2; Pacific —4 to 0.

Nationwide Department Store Sales Were 6% Higher Than The 1960 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Aug. 26, 1961, were 6% more than the like period last year. For the week ended Aug. 19, sales were up 4% over last year. The four-week period ended Aug. 26, 1961, sales advanced 6% over last year.

According to the Federal Reserve System, department store sales in New York City for the week ended Aug. 19, were 4% higher than the same period last year. In the preceding week ended Aug. 12, sales were unchanged over the same period last year. For the four weeks ending Aug. 26, a 6% increase was reported above the 1960 period, while from Jan. 1 to Aug. 26, a 1% increase over sales in the comparable period of 1960, was recorded.

Computer Instruments Common Offered

Hayden, Stone & Co. heads a group offering 160,000 common shares of Computer Instruments Corp. at $12 per share.

Half of the shares are being sold for Herbert H. Adise, President of the Hempstead, Long Island, firm; the other half for Henry Siegel, Secretary-Treasurer.

Mr. Adise and Mr. Siegel founded the firm as a partnership in 1950.

No proceeds of the current issues will be received by the firm.

The company which designs, makes and sells a variety of precision components for the electronics industry, is the principal manufacturer of carbon film precision potentiometers.

Potentiometers, which accounted for 92% of the firm's 1960 sales, are electro-mechanical devices which convert changes in mechanical position into corresponding changes in electrical voltage. They are an essential component of electronic control systems used in missiles, ground guidance equipment, analog computers.

Corning Glass Common Offered

A secondary offering of 150,000 common shares of Corning Glass Works at $165 per share is being made today (Sept. 7) by an underwriting group jointly managed by Harriman Ripley & Co., Inc. and Lazard Freres & Co. None of the proceeds from the sale of the stock will accrue to the company.

The offering is being made for a number of individuals and trust accounts of the Houghton family for purposes of diversification. It represents less than 10% of the selling stockholders' holdings and less than 3% of the company's 6,776,545 shares of common stock outstanding.

The company with headquarters at Corning, N. Y., is the leading domestic manufacturer of speciality glassware. It is a large producer of glass bulbs and components used by others in the manufacture of incandescent lamps, radio, electronic and television picture tubes. In addition to making tubing for neon signs, Flourescent lamps and laboratory and pharmaceutical ware, the company also produces glass parts for sealed beam automobile headlights and electric component applications.

Corning's line of PYREX heat resistant glassware for consumer and commercial use has been well known for years, and more recently its "Corning Ware" line of cooking ware and small appliances, made from its new family of PYROCERAM glass-ceramic materials, constitute a substantial part of its consumer products sales.

Equity Annuity Formed

RENO, Nev.— Equity Annuity Agency, Inc. of Nevada is engaging in a securities business from offices at 195 South Sierra Street. Officers are Gorman C. Merrick, President; Dale H. Dooley, Secretary and Treasurer; Roland Wiley, Vice-President, and Samuel E. McDowell, Assistant Secretary.

Form Maurice, Norman Co.

CHICAGO, Ill.—Maurice, Norman and Company has been formed with offices at 2641 West Peterson, to conduct a securities business. Partners are Norman B. Levin and Maurice Dorman.

THE MARKET . . . AND YOU

BY WALLACE STREETE

All the uncertainties both at home and abroad this week kept traders cautious toward the stock market. It added up to a few issues that were able to soar easily on slight demand and to sharp price reversals when moderate selling was encountered.

Despite the lack of general interest, some of the high-flying issues were able to continue to new peak prices, notably International Business Machines, Zenith Radio and Texas Utilities, which isn't a case of bad leadership as far as quality is concerned.

Autos Hobbled

Auto issues were hobbled by labor negotiations for the most that kept them restrained. This even applied to American Motors. While the union problems dissolved speedily, the threat of possible delisting by the New York Stock Exchange if any shares distributed to employees were non-voting ones, offset the settlement and it went nowhere.

The question mark was Studebaker, and the uncertain market gyrations of its shares illustrated the doubts. Studebaker's results this year have been unimpressive, at least as an auto maker. It expects a loss of better than $10 million for the first three quarters of the year but is hopeful of wiping that out in the final quarter. If so, it would point to a good earnings pattern for 1962. But that has yet to unfold.

Studebaker's plus items are a good working capital position, good diversification in nonautomotive areas which is estimated as providing around a dollar a share of profit to the company and low dealer inventories of 1961 auto models.

But the company, without a thriving auto line, would be unexciting. Moreover, results this year are expected to reflect the expiration of tax-loss credits which enhanced earnings statements up to here. The company's unsatisfactory results in merchandising autos this year were, in part, due to drab styling and, to a degree, by fears that it would abandon auto making.

The company's management has been energetic in trying to dispel any notions that it is through with autos, including extensive restyling and much stress on its aim to achieve a far more satisfactory market penetration with the new models. Helping along the profit-picture promise is that retooling costs for the new models were held down vigorously — some estimates are that the entire restyling was done for around half as much as for the current models. The plus and minus factors paint a confused picture, but that doesn't keep the stock from being the leader on activity at times when hopes were high.

Multi-Product Enterprise

Where Studebaker's real progress is tied up with the fate of only one of its lines, Ronson Corp., still widely regarded as a one-product firm, has over the years made a significant switch to a multi-product firm without too much public recognition.

In eight years since top management at Ronson shifted, its reliance on lighters for its sales has dropped from more than 87% to less than a third. And half of its lighter business today is in high-priced butane lighters which aren't, as were the low-priced ones, subject to the intense competition from both domestic and foreign lighter makers.

Meanwhile Ronson has built up its electric appliance line which was nonexistent eight years ago to where it accounted for 22% of sales last year. Also added were aircraft and missile parts operations which were a small fraction of total business and now account for 9%.

All of the efforts to better the fortunes of Ronson served to make it ignore the recent recession. Sales were up 16% in 1959, another 11% in 1961 and for this year are projected at an increase of 15%. Meanwhile profit-margins were widened. There hasn't been too-much market recognition of the accomplishments, since the shares are still available at a definitely sub-normal 15-times anticipated profits for this year when shares of the wonder stocks show ratios that are on the edge of the stratosphere.

In the drug section the item available at less than 15-times earnings is McKesson & Robbins which is far under its peak of last year although results for the last fiscal year were held to a decline of 10 cents (to $2.50 a share) under the average figure for half a dozen earlier years. Such a result is not one that alone would depress the price of the stock almost a third. McKesson's mainstay has been wholesale, mostly ethical drugs, but it hasn't been lagging in diversification. Liquor products account for more than a quarter of its volume and it has recently taken steps to move importantly into the proprietary drug business, including cosmetics.

The company that is still not showing signs of making an important turn for the better is Thatcher Glass, barely covering its dividend payment, suffering from price reductions due to competitive pressure, and harassed by mounting costs.

Reflecting the troubles, the shares of Thatcher have slipped to around their low for the year and if the dividend, as management hopes, can be maintained, they offer a yield approaching 6%. One step being taken to remove a drain on the company is to sell one of its divisions that turns out oven and tableware. This will provide nearly $5 million in cash and paper for the company to bolster its financial position. Meanwhile earnings, while lagging badly from last year, did turn up in the second quarter over the first period, although it is not clear that this was the decisive turnabout being looked for in this issue.

A Well-Trimmed Business

A case where unprofitable, even low-profit, operations were hacked away and the cash used to acquire other lines of more promise is Crane Co. This old name in the plumbing equipment business early in its corporate revamping eliminated a large part of the wholesale plumbing lines while simultaneously trimming the firm's capitalization by more than a third via a call for tenders.

Added to the Crane family lineup were half a dozen other enterprises, one of the better-known being National-U. S. Radiator. The expansion program ran into a snag when it started out to acquire Briggs Mfg., but legal action was able to foil the plan. Undaunted, Crane bartered its 21% interest in Briggs to American Metal Products to acquire its Alliance Ware subsidiary.

These busy acquisitions, plus the firm's avowed aim of liquidating portions of the acquired businesses that aren't up to profit standards, and another policy of writing off fixed assets as quickly as possible under the tax laws, have kept reported profits from showing the full benefits of all the acquisitions. Last year, for instance, earnings of $2.97 were reported from $4.03 the year before for a seemingly large drop in its profit-making ability. However, cash flow which—before write-offs—is also indicative of management results, came to $7.98 last year from $8.23 the year before, for a far milder decrease and more of a true measurement of how it was able to fare through the recession. And from here on out, the many acquisitions should start to be felt.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

Funston Urges Legislation to Ease Divestiture Tax Penalties

Keith Funston, President of the New York Stock Exchange, has urged Congress to adopt legislation to relieve investors of unfair tax penalties incurred as a result of Antitrust divestiture orders.

Keith Funston

Mr. Funston filed a statement with the House Ways and Means Committee concerning House Bill 8190, which would provide some relief in divestiture cases. The Bill was occasioned by the recent U. S. Supreme Court decision that E. I. duPont de Nemours & Co. must divest itself of its 63-million-share interest in General Motors Corporation.

The Exchange President said that "to the extent that the Bill may ease the harsh penalty imposed on shareowners by the present law, it is clearly a step in the right direction—and is the minimum remedy that should be considered."

The investor is not asking for any favors, Mr. Funston declared. "He asks only that he be treated fairly and in a manner for which there is ample precedent in cases of divestment required under the Public Utility Holding Company Act, the Bank Holding Company Act and other statutes.

"Congress has, in other words, treated similar involuntary distributions by deferring all tax liability until the recipient actually sells the stock."

Mr. Funston noted that there is no essential difference between a situation involving a compulsory Antitrust distribution of stock and and cases involving involuntary conversions, sales or exchanges of property or assets pursuant to Federal reclamation or holding company statutes or decisions by the Federal Communications Commission, the Securities and Exchange Commission and other Federal regulatory agencies.

In such instances, Mr. Funston said, Congress has provided for deferral of tax liability, recognizing that this relief is required, in justice, for the innocent victims of Federal action over which they have no control.

Mr. Funston declared that the obvious remedy is for Congress to go beyond the present Bill and to extend this same equitable treatment to all shareowners of companies which are compelled by the Federal Government to distribute assets as a result of a divestiture order.

"Such Congressional action," he said, "would remove the threat of unfair tax treatment which duPont shareowners face today and which millions of additional shareowners in other companies might face in the future."

Mr. Funston noted that in the current case involving duPont and GM hundreds of thousands of shareowners, many of whom are in modest circumstances, will be affected. duPont has 225,000 stockholders of record. Approximately 187,000 — or more than 80%—are owners of less than 100 shares. GM has 868,000 stockholders of record.

Mr. Funston warned that the absence of any provision for relief of these shareowners "represents a clear and present danger to any and all of the 15 million shareowners in American business who, in the future, may be similarly caught in such an unmerciful squeeze.

"My main concern, in this regard, is to see that investors are treated fairly. This country should do everything it can to encourage more people to invest their savings in order to provide the capital necessary for the sound growth of our economy and at the same time to broaden the base of shareownership."

Form Ruffer, Ballan Co.

Ruffer, Ballan & Co., Inc. has been formed with offices at 79 Wall Street, New York City, to engage in a securities business. Eli Ballan is President of the firm; Charles Ruffer is Vice-President. Mr. Ballan was formerly with V. K. Osborne & Sons. Mr. Ruffer was with Bertner Bros.

Two With Paine, Webber

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Louis R. Aragon and Joseph W. Peascoe have become associated with Paine, Webber, Jackson & Curtis, 626 South Spring Street. Mr. Aragon was formerly with Dean Witter & Co. Mr. Peascoe was with Gordon C. McCormick Inc.

New Sanders Branch

BROWNSVILLE, Texas—Sanders & Company, members of the New York Stock Exchange have opened a branch office in the Security Building under the management of Robert M. Boyle. The new branch will be connected with the Dallas office by the firm's own wire system.

Kurt Rossbach With Fahey, Clark

(Special to THE FINANCIAL CHRONICLE)

CINCINNATI, Ohio—Kurt Rossbach has become associated with Fahey, Clark & Co., Union Central Bldg. Mr. Rossbach was formerly in the buying department of J. A. White & Company, with which he had been associated for many years.

J. C. Flax Branch

HOLYOKE, Mass. — J. Clayton Flax & Co. has opened a branch office at 265 Appleton Street under the management of Albert R. St. Germain.

Aloha Incorporates

HONOLULU, Hawaii—Aloha Securities Co., 184 South King Street, is now doing business as a corporation. Officers are William L. Wong, President; Walter G. Asmus, Vice-President; Bung Yin Yim, Secretary-Treasurer.

AS WE SEE IT

Continued from page 1

me that it would be possible for the steel companies to absorb the (wage) increase . . . without increasing prices, and still insure to the steel companies, and their owners, a good profit.

"I am concerned that an increase in steel prices would set off another inflationary spiral, and also make us less competitive abroad, serve as a brake on our recovery, and also affect our balance of payments.

"So that I am very hopeful that the—this—these private companies will be—will—and I am sure they will—concern themselves with the public interests that are involved in their decision."

A little later in the same conference with the press, one questioner returned to the subject with this query: "Mr. President, on steel do you have any thoughts or specific plans for meeting the situation if the steel industry does not seem to be persuaded by the arguments that you have been presenting against a price increase?" To that interrogator the Chief Executive made this reply: "Well, I'm hopeful that the view which has been expressed today, and has been expressed on other occasions, and the public responsibilities of people involved, I'm hopeful that they will have an effect. I prefer to leave it at that for the present."

1959 and Now

When the steel strike of 1959 had dragged its long length across the face of the American economy, and a resumption of the walkout was apparently imminent, Vice-President Nixon was widely reported (with what accuracy we are unable to say) to have told the steel companies that they had better make peace with the union or Congress might very well do things to them that they would not like. Of course both Mr. Nixon and most members of Congress were then planning to face the voters in the not too distant future. President Kennedy has not again to come before the voters for a good while, and neither have members of Congress, but we must submit that the Chief Executive has intimated in essence about the same thing to the steel companies, this time about prices, that Mr. Nixon is supposed to have said in 1959.

Of course, President Kennedy can not be held responsible for anything that Mr. Nixon may have said or done in 1959, but we have seen no indication that he, any more than the rank and file of the politicians in his party, has much stomach for talking similarly to wage earners seeking higher prices for their services. How long even the Chief Executive with all the weapons he has at his command can succeed with this sort of one-sided pressure we are not prepared to say, but certainly there is a very definite limit since even the great corporations can not continue indefinitely to operate if they do not recover expenses and some emolument for their stockholders.

At the time that the President was speaking, the automobile industry and its workers were deeply involved in controversy about wages and the like in new contracts. It was inevitable that some of his questioners would ask the President about this situation. Said one member of the press: "Mr. President, in view of the fact that the economy is recovering, what steps are the Administration prepared to take to prevent a breakdown in the auto negotiations in Detroit?" The reply was: "Well, they are being carried on at the present time between the Auto Workers and the automobile industry, in the hope that they will come to a conclusion which will make it possible for work to be maintained and that it will make it possible for an agreement to be reached that will not provide for an increase in the cost of cars.

"This is a matter in which the public interest is involved, quite obviously, but it's a matter which should be left, at this time, to the—those on both sides of the bargaining table who are bargaining in a free economy."

A Free Economy?

It is very well for the President to talk about a free economy—if he means merely to distinguish between the way things are done in this country and the modes common, say, in Russia or Communist China. But in view of the history of the steel strike in 1959, and the very obvious warning of the industry by the President now in 1961, we should say that to call this a really free economy is to indulge in a certain Pickwickian balderdash. This is the more obviously true in view of what has been going on in labor union circles since the New Deal surrendered to them nearly two decades ago. In the case of the automobile industry it may or may not be possible for the President to be altogether certain whether the "cost of cars" has risen or not. There is a great change from year to year in the product that is being sold. It is by no means easy for even the economist to say whether the price level has gone up or not. In any event the President seems only interested in continued operations and some sort of price stability in the industry for this year of our Lord, 1961. It requires a good deal of optimism, not to say naivete, to expect inflation to be prevented for long by such methods as these.

Textile Survey Reflects Optimism

Report highlights outlook factors found encouraging for cotton textiles.

Textile markets are ripe for increased activity with replenishment of depleted stocks and renewal of inventory accumulation, the 30th annual "Ten Years of Cotton Textiles" survey of The Association of Cotton Textile Merchants of New York stated recently. Mills have been adjusting production for a full year and are now in the final stages of Summer cutbacks. Prices which have been dragging bottom for four months are beginning to respond to the change in the textile cycle, according to W. Ray Bell, the Association's President.

The 1960-61 recession, the report notes, was deepened and prolonged by record breaking imports from low wage countries, which totalled over one billion square yards of cotton goods for 1960. Of this 848 million were cotton broad woven goods in cloth, apparel, or fabricated form, against 612 million in 1959 and 389 million in 1958. For the first time in the 30 years of the reports, imports of countable cotton cloth exceeded exports, and by combining import gains and export losses since 1951, the domestic industry is 774,777,000 square yards worse off. Imports for first half 1961 are down from a year ago, a product of the recession here, but remain 46% over the like 1959 period. Barring remedial action, they could revive with market recovery.

President Kennedy's Program

The report reviewed President Kennedy's seven point textile program and suggested that the Geneva international quota proposals could magnify the role of GATT (General Agreement on Tariffs and Trade) in supervising international textile trade. It emphasized that the defense issue in the pending industry case before Office of Civil and Defense Mobilization, together with rectification of the Government's discriminatory practice in subsidizing raw cotton to foreign mills at 8½c a pound or 25% under U. S. mill cost, were matters for domestic determination.

Expenditures for U. S. plant modernization in 1960, reflecting relatively favorable 1959 earnings, were the highest since 1951. In the decade 4,378,671 spindles have been renewed. Total spindles in place, however, are down 3,000,000 in the decade, although the smaller number averaged 6,255 hours per spindle per year, short only of the 1959 record. Production of 10,927,317,000 square yards for 1960 contrasted with 11,237,670,000 in 1959. Per capita availability was 60.58 square yards and the lowest for the decade except 1958's 58.09.

With Pacific Coast Secs.

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — Kenneth B. Bolton has become associated with Pacific Coast Securities Company, 240 Montgomery Street. He was formerly with Marache, Dofflemyre & Co. in Los Angeles.

Joins Walter Gorey

SAN FRANCISCO, Calif. — John K. Lynch has become connected with Walter C. Gorey Co., Russ Building. He was formerly with York & Co. and Harris, Upham & Co.

Key Factors in the Funds' Equity Investment Policies

Continued from page 1

equipment company as electronics while another may call it miscellaneous.

Before turning to an assessment of past changes in investment attitude toward these groups, it may be of interest to note how the average position held by the mutual funds would compare with a "NYSE Fund" if there were such a fund investing in industry groups in the proportionate amount and as classified on the Big Board. The summary is shown in Table I. Measured in this way it appears that mutual funds on the average are:

Heavy In

Banks, Insurance & Finance
Office Equipment
Oils
Miscellaneous

Light In

Automobiles
Chemicals & Drugs
Electrical Equipment
Foods & Tobacco
Utilities

Changes in Attitude in Past Five Years

Now what about changes in attitude toward industry groups that may have taken place during the past 5 or 6 years? To find the answer we have tabulated and averaged the weightings in the major groups during the period beginning in 1954. It is necessary to emphasize that in a discussion of proportionate representation, **share** positions and **value** positions are **not** synonymous. Without changing the share position, dollar representation expressed in percentages can rise or fall due entirely to relative price movements in the security market. If adjustment is made for this factor the following changes can be identified in industry groups accounting for 70% to 75% of asset values (Table II).

Drug positions were built during 1955, 1956, and 1957, cut in 1958, and have remained in the aggregate substantially unchanged since, well above the positions in 1954.

TABLE I

	Mutual Fund Aver. %	NYSE Fund %
Autos	2.2	5.0
Banks, Insurance Finance	6.7	1.9
Building	2.8	1.4
Chemicals & Drugs	9.8	13.4
Electrical Equipment	5.5	8.1
Foods & Tobacco	1.8	5.2
Office Equipment	3.2	0.4
Oil & Natural Gas	14.2	11.4
Paper	3.2	2.1
Rails	2.1	2.1
Retail Trade	2.6	3.7
Rubber	1.2	1.0
Steel	3.4	3.6
Utilities	12.8	19.0
Miscellaneous	17.5	10.7
Cash & Governments	11.0	*11.0
	100.0	100.0

*Arbitrary assumption

There was not much interest in electrical equipment and **electronics** until 1959 and 1960. Additions to positions were particularly sharp in 1959.

Foods were not accumulated appreciably until 1960.

In office and business equipment the tendency appears to have been toward reduction in 1959 and 1960.

Utility positions were increased in 1958 and have remained substantially unchanged.

The investment policy toward automobiles appears to be short term. The chart shows violent fluctuations during the period under review.

Building holdings were reduced in 1958 and 1959, but there was a revival of interest in 1960.

Chemical positions were reduced in 1956 and rebuilt in 1959, holding there since.

Oil positions were maintained until 1958. Sharp reductions took place in 1959 with no change indicated from that time.

Papers were reduced in 1960.

Railroads fell out of favor in 1956 and 1957. Interest today is low.

Rubber representation declined in 1957 and 1958 with no change since that time.

Steel positions were dropped in 1957 and again in 1960.

Attractive Factors

Positions have been built in those industry groups which have performed well and there are certain notable characteristics common to most of them:

(1) Yields are relatively low. Evidently fund managements have felt that capital performance was more desirable than generous income.

(2) None of the industries benefits by commodity inflation—which has been missing for some time.

(3) The industries are noncyclical and on an historical basis have demonstrated defensive characteristics in the market. Fund managements' moves may also then indicate a tendency to conserve capital in expectation of a less favorable investment atmosphere.

For the diversified common stock funds, cash and debt proportions have held fairly close to 10% since 1955. The picture of equity representation in balanced funds gives similar indication. Holdings remain pretty close to what, for balanced funds, seems to represent a fully invested equity position (65% of the portfolio). Evidently, even though some feel that stock prices are too high, there seem to be enough good equity values to satisfy fund management that a continued strong position is indicated.

For the look ahead it is neces-

TABLE II

Diversified Common Stock Funds Change in Industry Representation

	1955 %	1960 %	Change Due to Relative Price *Factor %		Change Due to Management Influence %
Banks, Insurance & Finance	3.52	5.89		‡ +2.37	
Drugs	1.57	4.11	+1.97		+0.57
Electric Equipment & Electronics	4.29	6.20	+0.26		+1.65
Foods	1.69	2.14	+0.95		—0.50
Office & Bs. Equipment	1.47	4.31	+3.82		—0.98
Retail Trade	1.99	2.90	+0.10		+0.81
Utilities	11.71	14.86	+3.25		—0.10
	26.24	40.41	+10.35		+1.45
Autos	3.53	2.29	—1.08		—0.16
Building Materials	3.05	2.46	—0.44		—0.15
Chemicals	6.32	4.98	—1.58		+0.24
Oils	15.42	9.84	—3.42		—2.16
Paper	4.41	2.93	—0.89		—0.59
Railroads	6.37	2.86	—2.49		—1.02
Steel	5.73	4.09	—0.51		—1.13
Tires & Rubber	2.99	1.49	—0.23		—1.27
	47.82	30.94	—10.64		—6.24
Unclassified	21.94	17.65		—4.25	
Cash & Other	4.00	11.00		+7.00	
Grand Total	100.00	100.00		0	

*Standard & Poors industry group stock price indexes used as criteria
‡No suitable market average available

sary to single out the economic forces and trends which will influence selection and industry weighting.

Economic Factor Number I

Research and development. The tremendous and increasing emphasis on research and development, public and private, means accelerated change in those areas where the effort is biggest. The risk of obsolescence is balanced by the opportunity for gain from new developments. Investment management having a high degree of perception founded on thorough and continuing study will do well by emphasizing selectivity in chemicals, drugs, electronics, office equipment, aerospace—in fact all industries with a high research input. Broad industry policy determinations governing proportions held in these industries will fade in importance.

Economic Factor Number II

Demographic trends. Even as broad population factors have influenced markets for houses, cars, appliances, toys, baby wear (and more recently clothes, hi-fi, books, public school budgets, portable phonographs and typewriters), they will shape many a company's fortunes in the next decade. Teen agers, college students, new employees, newlyweds, babies, will follow wave upon wave, having many connotations for shifting preferences in family budgets. Regional growth patterns may well be changed by this and other evolutions occasioned by social progress. Here again perception in selection rather than industry weighting will bear the best results.

Economic Factor Number III

Idealogical conflict. In the Free World, national identities are moving toward merger as time and distance are shortened by speed of travel and communications. The great catalyst is the ideological conflict between East and West. The economic strength of the industrial nations of the Free World is tending toward equality, and the scope of investment decisions is becoming broader. Investment attitudes toward broad industry groups—chemicals, drugs, machinery, steel, copper, oil, autos (among others) must encompass world capacity. More and more foreign holdings will appear in fund portfolios.

Economic Factor Number IV

Price inflation. For the past two years or more wholesale commodity prices have been fairly stable. There has been an end to the wage cost thrust as wage increases moderated and productivity continued to grow. Whether this situation will persist depends importantly on negotiations now underway in the automobile industry. Strong competitive pressures in a shrinking world and more generous annual additions to our labor force indicate that general price stability should continue. On this basis representation in autos, machinery, rubber, steel, paper, metals, etc. would continue to be deemphasized.

Fund management will, however, recognize present unstable political conditions in important commodity producing countries abroad. Revolutions have a way of disrupting supply lines, raising commodity prices and stock prices in those industries affected, such as oil.

There is yet another reason for taking a fresh look at the commodity industries. The international money market is in a state approaching critical instability for the first time in many years. Trouble can be avoided if inflationary pressures in this country can be contained and if international monetary authorities reach agreement on modifications in the exchange mechanism which will stabilize the structure for a long period ahead. Investment attitude toward all commodity industries must be conditioned in part by the risk inherent in these circumstances.

Economic Factor Number V

Politics. This administration will be in power at least until 1964 and perhaps 1968. It is more venturesome in the area of economic planning than was the Eisenhower Administration during the 1950's. National policies will emphasize social programs and national growth, at a time when the differences between Communism and freedom appear to be coming to a head. On the face of it, this sounds as if higher stock prices are ahead, but our economic planners are not oriented toward higher profits and higher stock prices. More controls, harder competition, higher taxes are the probable outcome. Fund investment policies are likely to reflect due regard for capital conservation.

To summarize, the highest general level of public interest in equities was seen in the 1920's and the 1950's. These were periods of ebullient economic activity free from national anxiety, repressive controls and rapid social adjustments. Our look ahead doesn't afford similar prospects. The most successfully managed funds of the future will be always ready to move, keeping sharply in tune with a rapidly changing world and sending security analysts in far ranging search for investment values.

*An address by Mr. Ferretti before the Financial Analysts Federation Seminar at Beloit College, Beloit, Wisconsin, August 26, 1961.

REIT Securities Corp.

SYRACUSE, N. Y.—REIT Securities Corporation has been formed with offices at 307 South Townsend Street to engage in a securities business. Officers are David Englestein, President; Richard G. Dower, Vice-President; Seymour W. Rudolph, Secretary; and Sanford E. Lavine, Treasurer. Mr. Dower was formerly with Reid-Bullock and Hayden, Stone & Co.

Form Rippey & Inskeep

PORTLAND, Ore.—Rippey & Inskeep Inc. has been formed with offices in the Pacific Building to conduct a securities business. Officers are James F. Rippey, President, and John J. Inskeep, Jr., Secretary-Treasurer. Both were formerly with Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Joins Shearson, Hammill

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Thomas N. Aitken has become affiliated with Shearson, Hammill & Co., 3324 Wilshire Boulevard. He was formerly with Paine, Webber, Jackson & Curtis.

World Liquidity Problem Role of New York Banks

Continued from page 7

eventual needs for a growing volume of international reserves. I believe the most effective approach lies through strengthening the International Monetary Fund along the general lines proposed by Mr. Bernstein. Many know the outline of his proposals, so I shall not repeat them.

It seems to me that these proposals would, if they could be adopted on the proper scale, deal with the problems we confront in the foreseeable future. It would be possible for key currency countries to rely on drawings from the Fund to finance temporary exchange deficits, since the Fund would be in a position to extend credits in the currencies required. Thus, such nations would have an incentive to integrate their Fund quotas with their reserves. The use of Fund drawings to finance shifts of short-term funds would greatly reduce the possibility of an exchange crisis. Such an arrangement would also provide an incentive to surplus countries to adopt policies to reduce their surpluses. They would have an incentive to increase their imports of goods and services, or engage directly in international aid or investment, rather than to make payments on IMF debentures. The fact of borrowing from the Fund, plus the cost, would give deficit countries an incentive to take steps to eliminate the deficit.

For some years ahead, increased reliance on the Fund, plus new gold production, could cover the needs for increasing liquidity. If necessary, it would be possible to increase country quotas, as was done in 1959. As I stated earlier I do not believe that there is any immediate problem of a shortage of overall liquidity in the sense that world reserves of gold and foreign exchange will be inadequate to finance the potential expansion in trade.

At the same time we must not lose sight of this as a long-run problem. Forecasts in this field are notoriously hazardous and unreliable, so I would hesitate to make the judgment that increased reliance on the Fund can solve for all time the problem of liquidity. But I do feel that it can be sufficient in the years immediately ahead. I would caution only that this is a problem that must be kept under surveillance.

A World Central Bank

It is implicit in what I have said that I do not believe we need go to the extreme of a world central Bank, as proposed by Professor Triffin, to deal with the problem of liquidity in the years immediately ahead. Looking into the distant future, it may well be that we should work towards the eventual development of a world central bank. Virtually, all national banking systems have evolved towards a central banking system as the most effective and efficient way to operate a financial mechanism. However, I doubt that the world has reached a point where the member nations of a central bank could be counted on to maintain the discipline in their financial policies needed to make such a bank successful.

Moreover, I believe the Triffin proposal has a number of serious disadvantages. I am sure you have heard the general arguments against the Triffin Plan so I will mention some of them only briefly, and then turn to its effects on the New York money market.

To my mind, the most telling general arguments against the Triffin proposal can be summed up in the following manner:

First, the cost to the United States would be high in terms of reducing our freedom of action in financing any balance of payments deficits. If the Triffin Plan had been in effect, the United States would have been under great pressure to reduce its payments deficits in recent years. Yet the fact that foreign recipients of dollars have been willing to hold a good part of them has enabled this country to carry on programs of foreign aid, investment and military assistance that have been in the national interest. In the future, the Triffin Plan would mean that the United States would give up the possibility of financing at least a part of a temporary balance of payments deficit through the further build-up of dollar holdings in other countries.

Second, the gold guarantee of deposits in the Fund-Bank and of its investments imposes a high price on the United States. Circumstances could arise under which it would severely constrict our freedom of action because of our large liabilities to foreign holders of dollars. The fact of this huge commitment might push us into restrictive domestic policies well before such policies would be genuinely needed.

A third general objection is that the political and technical problems involved are formidable. It is far from clear that the technical knowledge exists to operate a world central bank without complicating unduly the problems of maintaining prosperity and growth without inflation throughout the free world. I doubt whether most countries, including the United States, would be willing at this time to delegate to an international agency the powers necessary to operate a world central bank.

Over time, many of these problems might be overcome, given the continued cooperation among members of the world financial community. To a large extent the problems are political rather than technical. However, I feel that there are many technical and operational problems that would have to be solved before a world central bank could operate properly. Thus, I believe the proper approach is one of evolution through increased international cooperation along the lines I suggested earlier.

Impact on New York Banks

Some of the technical problems involved can be highlighted by considering the impact of the Triffin Plan on the New York money market. As a practical matter the first problem would arise during the extended period of delicate negotiation which would be involved in trying to work through an agreement to establish a world central bank. This would be a period of great uncertainty, in which an upsetting move out of key currencies into gold might develop. The New York banks would face the possibility that their foreign deposits—as much as 15% of their total deposits—might be withdrawn on short notice. Even if the Federal Reserve should move to counter such a withdrawal if it occurred, such action would affect the banking system as a whole and New York banks could face a painful readjustment.

Assuming that the Triffin Plan were put into operation with no such anticipatory moves, foreign central banks would transfer to the new Fund-Bank almost $2 billion of foreign official deposits now held in New York by commercial banks, plus a substantial amount of short-term investments (Treasury bills, acceptances, etc.) held by these banks for their foreign correspondents. From that point on, additional dollars secured by foreign central banks would be deposited with the Fund-Bank.

Thus, the New York banks would be in a position of dealing with the Fund-Bank rather than with central banks around the world. Each commercial bank's share of international deposits would depend, not on its competitive ability and the quality of the service it rendered, but on the decision of the Fund-Bank acting in agreement with United States authorities. Long-established relationships based on mutual confidence and services rendered over many years would be disrupted. In all probability, the Fund-Bank's deposits in the United States would be allocated on some quota basis which would act to penalize banks that had performed the larger share of the services involved in international banking.

Impact Upon N. Y. C. Bank Loans

One such service is the loans New York City banks have made to both government institutions and private organizations abroad. In many cases these credits filled pressing needs which could not have been met from any other source. It was possible for New York City banks to extend them because of long-standing relationships abroad and because of the large deposits which foreign central banks and official institutions have maintained in New York. If the banks held such deposits for the account of the Fund, rather than for foreign banks directly, it is very doubtful that New York City banks could continue to assist foreign countries with necessary credits as they have in the past.

Another source of uncertainty would relate to what the Fund-Bank might do with its deposits and how its operations might affect non-official foreign dollar holdings. The Fund-Bank's right to liquidate its dollar holdings, even if it were used sparingly or not at all, would introduce a new dimension of uncertainty into the New York money market. While it would undoubtedly be possible to adjust over time to such changes, the adjustment would certainly not be easy, and it could interfere with the ability of the New York banks to provide their traditional services to domestic and overseas customers.

Role of New York

This brings me to a question posed in the letter of invitation to appear before the Subcommittee on International Exchange and Payments: Is the role of New York as an international financial center a source of strength or weakness to the United States? I would say that it is an important source of strength. I believe the United States must exercise a role of leadership in international financial matters. This is a part—an important part—of our role in contributing to the defense and development of the free world.

I believe that the New York commercial banks, and the New York money market institutions, are now making a considerable contribution to these broad national objectives. A major part of the financing of our exports and imports of goods and services—a total of some $50 billion a year—is handled in New York. This involves a tremendous amount of detailed work and expert knowledge. Financing foreign trade is a business for specialists who possess the knowledge, ability, and experience to handle transactions throughout the world. These skills have played an important part in making the United States the world's largest trader. And it should be remembered that our foreign trade is many times the size of our foreign aid, so our impact on the rest of the world through our trade and its financing is a most significant part of our over-all foreign relations.

In addition, New York commercial banks and investment houses have provided the means through which many foreign governments and foreign businesses have obtained funds essential to their financial progress. At the end of 1960 private loans and portfolio investments from the United States to other countries amounted to no less than $15 billion, and the great bulk of this financing was organized through the financial community in New York.

Joint Ventures

New and flexible means are constantly being sought to increase the effectiveness of international financing. One such development has been the formation of venture capital investment companies. These companies perform a unique role in setting up joint ventures to develop private business abroad. Typically, such a venture might include participation by a U. S. manufacturing corporation to provide technical knowledge as well as part of the capital, the venture capital company, and investors from the host country. The Chase Manhattan Bank has had such a facility operating in the past few years in the form of an Edge Act subsidiary, The Chase International Investment Corporation. There are also a number of similar ventures. Another example is provided by the efforts now underway by commercial banks and insurance companies to work out procedures to provide export credit insurance and medium-term export credits in cooperation with the Export-Import Bank.

Finally, New York City provides the institutional mechanism necessary to make the U. S. the great Reserve Currency Center of the world. It is not only the banks which are involved, but the money market as a whole—the government securities market and the dealers who are an integral part of it, the market for commercial paper, acceptance and other short-term paper. This complex mechanism provides safe, liquid investments which attract and retain foreign exchange reserves from foreign commercial and central banks from all over the world. The dollar in consequence of this, and because of the basic strength of the U. S., is used as a currency to finance trade investments and other transactions in many areas of the world.

All of these matters not only have important economic implications for the U. S. but they also add to the political strength and position of leadership of the U. S. in world affairs. Today New York City in many ways is the financial center of the world. That is an inevitable accompaniment of the nation's position in political and military affairs. We cannot have the one without the other.

*Based on a statement delivered by Mr. Rockefeller to the Joint Economic Committee, Sub-Committee on International Exchange and Payments, Washington, D. C.

NSTA NOTES

INVESTMENT TRADERS ASSOCIATION OF PHILADELPHIA

The Investment Traders Association of Philadelphia will hold their annual election meeting on Sept. 28. The following slate has been proposed for officers for the 1961-62 year


John E. Knob


Jack Christian


William R. Radetzky


H. E. Beattie, Jr.


Harry F. Green, Jr.

President: John E. Knob, Drexel & Co.

First Vice-President: Jack Christian, Janney, Battles & E. W. Clark, Inc.

Second Vice-President: William R. Radetzky, New York Hanseatic Corporation.

Treasurer: Herbert E. Beattie, Jr., H. A. Riecke & Co., Inc.

Secretary: Harry F. Green, Jr., Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Now Proprietor

Claire Satnick is now sole proprietor of Michael & Co., 37 Wall Street, New York City.

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

The Chase Manhattan Bank, New York, announced that ground will be broken in Hartsdale Sept. 7 for its first branch office in Westchester County.

The brick and masonry building and its drive-in banking facilities at 3 South Central Park Avenue are scheduled to be opened for business in February, according to the bank.

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Directors of **Chemical Bank New York Trust Company, New York,** have promoted three officials to the rank of Senior Vice-President, Chairman Harold H. Helm announced Sept. 6. They are Walter M. Ross, Granger Costikyan and Seymour Dribben.

Mr. Ross is designated head of the bank's National Division, succeeding George L. Farnsworth, Executive Vice-President, who is transferring to the International Division. Mr. Farnsworth will be associated with Clinton C. Johnson, Executive Vice-President. Mr. Dribben continues to serve as an Administrative Officer of the International Division. Mr. Costikyan is named associate head of the National Division.

In 1946, Mr. Ross joined the **First National Bank of Louisville, Ky.,** where he rose to Vice-President. In 1950, he transferred to Chemical Bank New York Trust Company as Assistant Vice-President in the National Division. He was elected to Vice-President in 1952, and in recent years has supervised the bank's business in Western and Southern states.

Mr. Costikyan began his career with **The New York Trust Company** in 1929 and was Vice-President of that institution in 1959 when it was merged into Chemical Bank New York Trust Company.

Mr. Dribben became Assistant Vice-President of the bank in 1946 and Vice-President in 1949.

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The Chemical Bank New York Trust Company, New York, has made application to the Board of Governors of the Federal Reserve System, for its consent to merge with the **Long Island Trust Company, Garden City, New York.**

Stockholders of both banks have already approved the merger.

The plan calls for Long Island Trust shareholders to receive 0.6571 share, of Chemical Bank stock for each share of Long Island Trust. Holders of the 631,469 outstanding shares of Long Island Trust would receive a total 415,000 shares of Chemical Bank.

* * *

William A. Frey, a Regional Vice-President of the **Chemical Bank New York Trust Company, New York,** died Aug. 30. He was 62 years old.

He began his career in 1916 with the old **Columbia Bank and Trust Company.** In 1935 he joined the old **Corn Exchange Bank,** and had become a Vice-President shortly before its merger in 1954 with the Chemical Bank and Trust Company.

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The Bank of London and South America on Sept. 5 began full branch banking operations at its 34 Wall Street office. C. A. Gordon, Manager is in charge.

Early in 1962, the bank will move its branch to larger quarters at 84 William Street.

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William H. Siddons, Jr. has been promoted to Vice-President of the **Chase Manhattan Bank, New York,** David Rockefeller, President, announced on Sept. 6. Mr. Siddons, who joined the bank in 1931, is in charge of the check processing division. He was assigned to branch administration until 1959 and served as Assistant Manager of the Peter Cooper branch in Manhattan from 1948 until 1953. Named an Assistant Treasurer in branch administration at head office in 1953, Mr. Siddons was promoted to Assistant Vice-President in 1957.

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The New York State Banking Department has approved the conversion of the agency of The **Chartered Bank, London,** at 76 William Street, into a branch.

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The **Sullivan County National Bank, Liberty, N. Y.,** and **Livingston Manor National Bank, Livingston Manor, N. Y.,** directors have approved the merger of the two banks. The banks have combined assets of about $23,000,000.

The plan is subject to approval by stockholders and Federal regulatory authorities. Joseph Fersch, President of Sullivan County Nation, will be chief executive of the consolidated bank.

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By the sale of new stock **The First National Bank of Toms River, Toms River, N. J.** increased its common capital stock from $2,000,000 to $2,100,000, effective Aug. 21; (Number of shares outstanding 420,000 shares, par value $5).

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David J. Connolly, Chairman of the Executive Committee of the **National State Bank of Newark, Newark, N. J.,** died Sept. 3. He was 62 years old.

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On Aug. 22 the Comptroller approved an application of **National Bank of York County, York, Pa.,** and **Central Trust Capital Bank of Harrisburg, Harrisburg, Pa.,** to consolidate under the charter of National Bank of York County, York, Pa. and under the title of **"National Bank & Trust Company of Central Pennsylvania."** The effective date is to be determined.

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Walter R. Lowry, was elected a Director of the **Berks County Trust Co., Reading, Pa.,** succeeding the late Luke A. Lutz.

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The First National Bank of Cresson, Cresson, Pa., with common capital stock of $50,000, has gone into liquidation, effective as of the close of business Aug. 18.

Liquidating Agents or Committee: Messrs. H. C. Lang, Gard Mac Alarney, and William P. White, care of the liquidating bank.

Absorbed by: **The First National Bank of Ebensburg, Ebensburg, Pennsylvania.**

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General Title & Trust Co., Cleveland, Ohio, elected David K. Lewis, a Vice-President and Director.

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On Aug. 21 the Comptroller approved an application to merge **City National Bank & Trust Company of Chicago, Ill.,** into **Continental Illinois National Bank and Trust Company of Chicago, Ill.,** under the charter and title of **"Continental Illinois National Bank and Trust Company of Chicago."** The effective date was as of the close of business Sept. 1.

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The Central National Bank of Junction City, Junction City, Kan., increased its common capital stock from $200,000 to $300,000 by a stock dividend, effective Aug. 24; (Number of shares outstanding 12,000 shares, par value $25).

Dyton W. Dunaway was elected a Vice-President of the **First National Bank & Trust Co., Oklahoma City, Okla.**

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The First National Bank of Memphis, Tenn. is offering to holders of its common stock the right to subscribe for 150,000 additional shares of common stock at the subscription price of $35 per share, on the basis of one new share for each five shares held of record on Aug. 25. Subscription rights, evidenced by transferable warrants, will expire at 12 noon, on Sept. 21.

Merrill Lynch, Pierce, Fenner & Smith Incorporated and Equitable Securities Corporation are joint managers of a group which will underwrite the offering.

Of the net proceeds from the offering, $1,500,000 will be added to capital, $3,000,000 to surplus and the balance will be added to undivided profits. Directors and shareholders of the bank have already authorized an increase in the common stock from $7,500,000 to $9,000,000.

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The common capital stock of the **First National Bank of Lawrenceville, Lawrenceville, Ga.,** was increased from $100,000 to $150,000 by a stock dividend and from $150,000 to $200,000 by sale of new stock, effective Aug. 25; (Number of shares outstanding 2,000 shares, par value $25).

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Karl Bauer was named Vice-President of the **Bank of America, San Francisco, Calif.**

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Two more out-of-state branches will be opened by **Bank of Hawaii, Honolulu, Hawaii** in September. One will be established on Wake Island; the other in Koror, capital city of the Palau district of the U. S. Trust Territories. Tentative opening date for both is Sept. 18, 1961.

The new branches will bring the bank's total number of offices to 53 and the out-of-state total to six. Bank of Hawaii already operates branches on Midway, Kwajalein, Roi Namur and Guam.

Manager of the new Wake facility will be Mrs. Myra Bovino. Koror Manager will be Mr. Tokiuchi Kano. Pacific islands banking operations are under the direction of, Bank of Hawaii Controller, Charles R. Klenske.

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The 35th Caribbean branch office of the **Bank of Nova Scotia** was officially opened at St. John's Antigua, Sept. 4. J. G. Marshall, Assistant Manager of Scotiabank's Nassau Office, is Manager of the new branch.

Van Alstyne, Noel Branch

MAPLEWOOD, N. J. — Van Alstyne, Noel & Co., members of the New York Stock Exchange, have announced the opening of a new branch office at 7 Highland Place, with Samuel H. Robinson, registered representative, as resident manager.

Mr. Robinson founded the investment firm of Parker, Robinson in Maplewood in 1951 and this office, subsequently absorbed by Hayden, Stone & Co., has continuously remained identified with Mr. Robinson.

Consumers Bankers to Convene in October

The 41st National Convention of the Consumer Bankers Association will be held Oct. 10-14 at the French Lick-Sheraton Hotel, French Lick, Indiana, it is announced by Ralph W. Stoddard, Association President and President, Bank of Buffalo.

General chairman for the convention is Keith G. Cone, Vice-President, La Salle National Bank, Chicago.

Postal Program To Speed Mails

The Post Office Department, according to Robert K. Christenberry, Postmaster of New York, is engaged in developing a Nationwide Improved Mail Service Program designed to schedule the nation's vast mail volume more effectively.

In order to develop faster delivery of priority letters, businessmen are requested to schedule their mail deposits voluntarily in order to reduce the peak load in the Post Office between 5 and 10 p.m. It has been estimated that approximately 20% of the mail deposited in Post Offices after 5 p.m. is non-priority in nature and could be scheduled for deposit in the morning of the next day. The efficiency thus gained by utilizing the postal facilities for a 12-to 19-hour period instead of a five- to eight-hour period will not speed priority mail an extra 24 hours, but will result in economy of operation and a savings to the taxpayer.

Larger mailers are asked to separate mail in order of its importance and hold over for next morning deposit (between 9 a.m. and noon) all non-priority mail. All other mailers are asked to deposit their letters and packages before noon.

Lewis Secs. Branch

MANCHESTER, N. H. — Lewis Securities Company has opened a branch office at 967 Elm Street under the direction of Myron A. Hoyt.

Planners & Investors

METUCHEN, N. J.—Planners and Investors Associates has been formed with offices in the Menlo Park Shopping Center, Office Building, to conduct a securities business. Partners are Erwin Wurtzel & I. Meyer Cohen.

Join Langley Staff

W. C. Langley & Co., 115 Broadway, New York City, members of the New York Stock Exchange, have announced the following additions to their New York office: Creighton Hartill, research department; John G. Riley, buying department; and William O. Melvin, Jr., registered representative.

Frank E. Chesterman III has become associated as a registered representative with the firm's Philadelphia office, which has moved to new quarters at 2 Penn Center Plaza.

Frank Warner Forms Co.

MINNEAPOLIS, Minn. — Frank Warner Corporation has been formed with offices in the Northwestern Bank Building to engage in a securities business. Officers are Frank A. Warner, President and Treasurer; Arthur L. Gluek, Vice-President; and L. V. Ackman, Secretary. Mr. Warner was formerly Minneapolis representative for Lee Higginson Corporation.

Burnham Midtown Branch

BURNHAM and Company, members of the New York and American Stock Exchanges, have opened a midtown New York office at 350 Park Avenue.

It is the first New York branch office for this 26-year old investment banking firm, whose head office is at 15 Broad Street.

George M. Isdale is manager of the midtown branch. William R. Rose, II, is Assistant Manager.

Meadowbrook Secs. Formed

Meadowbrook Securities Inc. has been formed with offices at 61 Broadway, New York City, to engage in a securities business. Officers are Leonard Lazaroff, President; Milton Steinberg, Executive Vice-President; and Gary J. Kaufman, Secretary - Treasurer. Mr. Lazaroff and Mr. Stein were previously with Schweickart & Co.

BANK AND INSURANCE STOCKS

This Week — Insurance Stocks

INSURANCE STOCK HOLDINGS OF INVESTMENT COMPANIES

An analysis of first-half purchases and present holdings of investment funds reveals that insurance stocks are becoming of increasing significance in the portfolios of many of the nation's major diversified investment trusts.

During the first six months of 1961, both life and fire and casualty insurance stocks were bought on balance by the funds. Thus these institutional investors were partially responsible for the sharp rise in insurance stock values that has occurred in 1961. Insurance stocks have substantially outperformed the general market over the past 12 months and many are now selling at or near their all-time highs.

Substantial interest in life stocks has been generated for the first time in over five years as investors became convinced that the new life insurance tax law would not be a serious barrier to future growth. Institutional investors were attracted by the $45 million secondary sale of shares of Aetna Life, Travelers, and Connecticut General, which created a vastly improved trading market for these three life insurance blue chip stocks. In addition to the major purchases of these three stocks, investment funds made significant new commitments in Transamerica, Franklin Life, and Liberty National Life during the first six months of 1961.

Investment funds were also attracted to fire and casualty stocks. Analysts were apparently impressed by the continuing growth in net investment income, the sharp rise in liquidating values due to the general stock market rise and the prospect of improving underwriting over the remainder of the year. The most significant single transaction was the purchase of 108,000 shares of Hartford Fire by Massachusetts Investors Trust. Other fire and casualty insurance stocks which attracted sizable investment fund buying were Continental Casualty, United States Fidelity and Guaranty, and Glens Falls. Profit taking was evident in the sales of holdings of American Insurance, Fireman's Fund and Maryland Casualty.

The value of having substantial holdings in insurance stocks in 1961 is pointed out by the relative performances of Century Shares Trust, which has over 90% of its assets invested in insurance stocks, and Life Insurance Investors among investment trusts. The latter, with a gain in net asset value per share in excess of 45% during the first six months of 1961, was the best performer of 35 funds whose principal investment objective is growth of principal in a study prepared by Arthur Wiesenberger and Co. A similar study of 60 funds with the dual objective of growth and satisfactory income revealed that Century Share Trust's 28% gain in net asset value during the first half of 1961 was the best performance in that particular group.

In a study of the combined holdings of over 300 investment companies with assets in excess of $20 billion by Vickers Associates, Inc., Continental Casualty, Travelers, and Aetna Life are now ranked among the top 50 stocks held by these companies as measured by dollar value of holdings. This was the first study of "Vickers Favorite Fifty" that included over-the-counter securities reflecting the increased significance of these holdings. As of June 30, insurance stocks represented 4.2% of the total dollar value of the top 50 holdings.

Insurance Stocks in "Vickers Favorite Fifty"

Rank by Dollar Value	———STOCK———	Dollar Value (Millions)	No. of Funds Holding Stock	No. of Shares Held	% of Outstanding Stock Held by Funds
23	Continental Casualty____	110	26	1,030,500	14.03
40	Travelers Insurance_____	81	48	653,300	6.53
45	Aetna Life Insurance____	75	33	643,000	8.04

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Fire Losses Heavy

Recently received operating statements for the first six months of 1961 confirm earlier indications that second quarter fire and casualty insurance underwriting results were poorer than those experienced a year ago, although they were substantially better than the performance of the first three months of the year. A compilation of the operating figures of 150 stock companies, which represent 60% of all fire and casualty business underwritten in the stock field, by Alfred M. Best Company, shows premiums written up 3% and a combined loss and expense ratio of 99.4% for the first six months of 1961. Comparable figures for 1960 were a gain in volume of 8% and a combined ratio of 96.2%. The sharp rise in fire losses in 1961 was a major factor in the reporting of unsatisfactory operations by a number of major companies. Abnormally high fire losses during the early months of the year due to last winter's severe weather were followed by sizable windstorm damage in the spring resulting in underwriting losses for many writers of property insurance.

The adverse trend is continuing. The National Board of Fire Underwriters estimated the July fire loss total at $93.1 million, up 12.2% from $83.0 in July, 1960. For the first seven months of 1961 total fire losses are estimated at $728.1 million, or 10.8% more than the corresponding figure of 1960.

* * *

Prime Cause of Auto Accidents

A study by Allstate Insurance Company indicates that the rear-end collision has become the principal cause of bodily injury claims, representing nearly one-third of such claims in an analysis of 7,000 accidents. The company said that most of these mishaps could be easily avoided because their principal cause is "tail-gating," or following the car ahead too closely. Rear-end collisions have steadily increased in recent years and the trend is likely to continue in the future as more superhighways are constructed.

The majority of rear-end crashes occur on major urban expressways with rush-hour collisions setting off chain reaction crashes. The study indicated that 79% of all accidents on Detroit freeways were rear-end collisions. Engineers have been able to remove other hazards from expressways, but the solution to this problem is up to the nation's drivers.

* * *

Life Insurance Sales Higher

The Life Insurance Agency Management Assn. announced that July purchases of life insurance amounted to $6.1 billion, practically the same as in the corresponding month of 1960. Ordinary and industrial life purchases for the month advanced while group purchases declined. For the first seven months of 1961, total life purchases are running 3% ahead of a year ago.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

What You Can Believe in Today

Charles B. Roth, in his excellent book published by Prentice Hall in 1953 which was entitled *How To Make $25,000 a Year Selling* made the statement "I have never seen a $25,000 salesman who wasn't a believer. Come to think of it, I never met a salesman who was a believer who wasn't a successful salesman." He mentions the case of a salesman who read something while he was a patient in a hospital that he took seriously and it made him one of the most successful salesmen in his company for many years. This was a quotation from the writing of psychologist Walter Dill Scott. It reads: "SUCCESS OR FAILURE IN SELLING IS CAUSED MORE BY MENTAL ATTITUDE, EVEN THAN BY MENTAL CAPACITIES."

I truly believe this and I have seen many men in the investment field who were not glib talkers, they were not glad-handers or joiners, they didn't play a top game of golf, and they didn't have a Masters or a College Ph.D. In fact some of them never graduated from college, yet they built a business that has earned them the respect of their clients and a handsome income for years and years. These men believed in doing the best job they could every single day in the week—they didn't loaf or let things slide. When they had a call to make, a situation to check, a letter to write, a friend to visit, or a prospectus to study they did it. And when they made a mistake they corrected it as soon as possible and kept going.

You Can Excel

It is fashionable today for many people to look with disdain upon the man or woman who takes life seriously. Yet, there are millions of believers who go to their church on their day of worship, who become scout leaders, nurses' aids, take their setting up exercises regularly, obey the traffic laws, vote regularly as their conscience and their intelligence directs them, and when they go to their job they give their employer a full day of concentrated effort for a full day's wages. They retire their mortgages, educate their children, carry their life insurance and buy securities when they have some savings available. They pay their local, state and federal taxes. They have no use for any "ism" except Americanism, and many of them still read Emerson, Holmes, Thackeray, Shakespeare, Plato, Aristotle, and are not too high and mighty to look at the comics on a Sunday morning. When a community job needs doing, they come to the forefront, when there are drives for worthwhile charities, they contribute, and when they say something, they mean it. These are the purposeful, conscientious people who are the backbone of this nation, and they are the ones that will help it survive regardless of all the present day philosophy which is dedicated to its destruction.

And Each One of Us Has His Job

Certainly the man who goes to his office every day and who counsels his limited circle of clients regarding their investments is not holding the most important job in the world. He's just another worker in the ranks; like millions of others in this country who daily go to work in the factories, offices, homes, schools, and on the farms and transportation systems of this nation. If you are a salesman of securities, (or whatever it is that you do) you can at least believe in one thing. You can believe in your own personal ability to EXCEL. You can become more capable every day in your job. You can understand more, read and reason better, learn from your mistakes and your experiences, become more adept at human understanding, as well as become a student of investments, markets, and the constantly changing panorama of industrial activity that is daily taking place. You can arise in the morning and say to yourself, "Today is another day, it is a gift that has been given to me from divine providence. It is mine to make the most of in every way that is constructive, beneficial, and inspiring to those around me, and to all with whom I am privileged to work and to help in every way possible if it is within my power to do so."

And you can believe in yourself if you think like this. You can become a better judge of investments, you can become a more efficient salesman, you can increase your ability to express yourself better, to get along with people, to drive through traffic, to overcome frustration, and to put sixty minutes of concentrated effort into every hour of work, and when your day is over you can direct that same concentrated, relaxed effort into your leisure. What I have said here this week has been repeated by others many times, but one thing is certain, it cannot be reiterated often enough in times like these. If you want to help your country, if you want to build a stronger U.S.A., if you want to fight Communism, if you don't believe that all is lost and that the children of this land can still live in a country where a good day's work is worth a good day's pay, and a man is a man only if he behaves like one, then there is only one answer for all of us who think like this—let's start by living this way. The power of the word is strong but the example of the deed is a thousand times more powerful than all the words that have ever been written.

No salesman can be a failure if he will believe in himself, his value as a human being, and the contribution he is making to his fellow man. There are millions of people in this country who need help with their investments like they never needed it before. If that isn't a challenge big enough for anyone then go out and find something else to do. After a lifetime of doing it I still find that there is always a new day, something more to learn, and a challenge. And that is the way it should be.

U. S. Fiberglass Products Co. Common Offered

An offering of 200,000 common shares of U. S. Fiberglass Products Co., at $2 per share is being made by Hauser, Murdoch, Rippey & Co., Dallas, and Omega Securities Corp., New York City. Net proceeds, estimated at $328,000, will be used by the company for the purchase of additional equipment, machinery and inventory; plant improvements; research and development, and working capital.

The company of Clarkville, Texas, plans to engage in the fabrication and manufacture of various products of fiberglass and other similar plastic materials and to market such products by the utilization of its own sales force. Products already manufactured for consumers include fiberglass shingles, purlins, beams, card tables, lawn furniture and culverts.

Harriman Ripley Branch

PITTSBURGH, Pa. — Harriman Ripley & Co. Incorporated, underwriters and distributors of investment securities, announced Sept. 5 the opening of an office in the Oliver Building, under the management of Frederick W. Phipps.

Form A. H. Masters Co.

Allan H. Masters & Company, Inc. is conducting a securities business from offices at 1175 York Avenue, New York City. Officers are Allan H. Applestein, President and Treasurer; Aaron S. Applestein, Vice-President; and Murray N. Meadow, Secretary.

Norman, Wolf Co. Formed

KEW GARDENS, N. Y.—Norman, Wolf & Co., Inc. has been formed with offices at 84-15 118th Street to engage in a securities business. Jacques D. Wolf is President of the firm. He was formerly syndicate manager for N. A. Hart & Co.

MUTUAL FUNDS

BY JOSEPH C. POTTER

Detroit And the Funds

To quote a mutual fundman: "When an industry no longer has a large, untapped reservoir of users to draw upon, economists refer to it as 'mature' . . . another way of saying that further growth will be slow, at best." This pretty much describes the automotive industry and, indeed, our fundman notes parenthetically that Detroit is "an excellent example."

Now, fund managers and Wall Street generally are not oblivious to the automotive and allied industries. The recent upsurge in Ford Motor and the less recent zooming by American Motors demonstrate that they can command considerable attention. But nobody is arguing that this is a growth industry.

A survey by the National Association of Investment Companies shows that common stocks valued at $887,653,000 are held by the member funds. This is an extremely impressive sum, but it is a good deal less than awesome when you consider that this totes up to little more than 4% of the total assets of the member funds. And the total is all but dwarfed on close scrutiny, which shows that the figure is arrived at by lumping in vehicle makers, tire and rubber producers, parts and equipment companies and even the farm equippers.

General Motors, which has more shares outstanding than any company extant and is the world's biggest manufacturer, is held by 71 companies (value: $133,214,000) to give it the lead in this widespread field. The second biggest holding, with a value of nearly $125,000,000, isn't even a vehicle manufacturer but Goodyear Tire & Rubber.

All things considered, Ford comes off best in this compilation. Remember that Ford came to market only about five years ago, took a severe drubbing and found few friends among the funds. Now it is held by 62 funds (only nine fewer than G.M.) and is second among all companies in the trade. Goodyear is owned by 39.

For the 13 makers of vehicles the total holdings come to only $302,000,000. The tire & rubber people contribute another $278,000,000, while the vendors account for about $228,000,000. Leaders among the vendors in fund portfolios include Bendix Aviation, Borg-Warner, Libbey Owens Ford and Timken Roller Bearing.

The life of a vendor, in the Detroit scheme of things, is rarely serene. He may rescue an automobile manufacturer who desperately needs an automatic gear shift in order to compete, only to have the auto people insist on the patents reverting to them after a period of years. Or a vendor may wake up one morning to find that his customer has acquired a battery-producing company, which batery-producing company, which field where the customers are few, this can be an extremely painful matter.

Vendors to the auto trade, like producers of railway equipment, long ago learned that if you don't diversify you may very well perish.

Another group that is included in this survey of the automotive industry is farm equipment. Six of these companies account for nearly $79,000,000 of the $888,000,000 invested by the funds. It will come as scant surprise that the favorite in this field is Deere, with 32 holders and a value of $41,500,000. Deere is a rich blue chip which stands out in its industry and, indeed, commands a lot of respect viewing industry by and large.

Deere, which has scant diversification, is followed closely by International Harvester, a highly diverse outfit owned by 28 companies. Allis-Chalmers and Massey Ferguson are way back.

Probably one of the most interesting revelations of this survey is the standing of Fruehauf Trailer. It is owned by 17 funds, exactly as many as hold far-bigger Chrysler Corp. But the stake in Fruehauf adds up to $12,000,000, against less than $9,000,000 for the country's No. 3 auto maker.

The Funds Report

American Growth Fund, Inc. reports for the fiscal year ending July 31 net asset value per share of $5.87, compared with $4.60 at the end of the preceding fiscal year.

* * *

Axe-Houghton Stock Fund's 109th consecutive quarterly payment to shareholders will be a dividend of four cents a share from investment income. The dividend—for the third quarter of 1961—will be paid Sept. 29 to shareholders of record Sept. 8.

* * *

Bullock Fund, Ltd. reports total net assets at July 31 at $71,791,540, or $14.41 per share. This compares with $56,153,046 of assets and $11.98 a share at Nov. 30, 1960, close of the last fiscal year.

* * *

Chase Fund of Boston reports that at July 31 total net assets were $40,084,687, or $8.84 per share. This compares with assets of $20,728,396 and $6.55 a share at Oct. 31, 1960, close of the last fiscal year. At April 30, 1961, the comparable figures were $38,430,323 and $9.38.

* * *

Colonial Fund, Inc., in its July 31 quarterly report puts asset value per share at $11.69, compared with $9.66 on Oct. 31, 1960, end of the fiscal year.

During the quarter the company bought Aldens, American Viscose, Dayton Power & Light, R.R. Donnelley & Sons, Gulf Oil, Pioneer Finance and Western Auto Supply. Meanwhile, it sold American Machine & Foundry, Central & South West Corp., Certain-teed Products, Dictaphone Corp., Monsanto Chemical, Savannah Electric & Power and United States Steel.

Commonwealth Income Fund reports that at Aug. 1 net asset value of its shares was $9.77, up from the $8.83 shown on Aug. 1, 1960.

* * *

Electronics Investment Corp. reports total net assets at July 31 were $41,790,320, compared with $35,008,339 a year earlier and $43,593,353 at the end of the preceding quarter. Net asset value per share at latest report was $8.18, slightly higher than the $7.95 per share a year earlier but lower than the $9.19 at the end of April, 1961.

Common stock purchases during the latest quarter include: Ampex, Ateliers de Montages Electriques, Edwards High Vacuum (England), Garrett Corp., Hallicrafters, Hewlett-Packard, International Business Machines, Litton Industries, Sigma Instruments, Thomson - Houston Compagnie (France), United Aircraft and Varian Associates. Over the same span the company pared holdings of Bendix Corp., Packard-Bell Electronics and Storer Broadcasting.

* * *

Keystone Low-Priced Common Stock Fund S-4 climbed to a series of new highs in the fiscal year ended July 31, according to President S. L. Sholley's annual report to a record number of 82,194 shareholders. That figure is 34% above last year's more than 21,000 new accounts having been opened in the meantime.

Total net assets rose 74% to $152,830,899, making S-4 the largest of Keystone's family of 12 funds with assets of more than $700,000,000. Net asset value per share, adjusted for the 54-cent capital gains distribution on July 15, rose 29% to $15.28. Since the close of the fiscal year the asset value per share has increased another 65 cents.

Sales of S-4 shares for the last six months reached $26,155,616. For the year they were $43,416,866.

Major portfolio activity in the last half of the fiscal year was in the aerospace industry, which now has more than 10% of the fund's assets. Newcomers were Avco (162,200 shares) and General Precision Equipment Corporation (40,000 shares). Holdings were increased in Beech Aircraft, Cessna Aircraft, Northrop Corp. and Thompson Fiber Glass.

* * *

Putnam Growth Fund reports that during the quarter ended July 31, 1961, total net assets increased to a new high of $164,478,000, compared with $144,587,000 three months earlier and $38,570,000 a year ago.

Net asset value per share was $18.49 on July 31, compared with $18.88 three months earlier and $13.45 a year ago.

As of July 31, 88% of the Fund was invested in common stocks and securities convertible into common stocks, with the balance in short-term notes and cash or equivalent.

F. S. Johns Branch

MORRISTOWN, N. J.—F. S. Johns & Co. Inc. has opened a branch office at 10 Park Place under the management of Ronald E. Lappe.

Nat'l Commercial Finance Conf.

Outstanding authorities in commercial financing and factoring, banking, accounting and government will be among featured speakers at the Seventeenth Annual Convention of the Commercial Finance and Factoring Industry, sponsored by the National Commercial Finance Conference, trade group for the industry, at the Waldorf-Astoria, Oct. 8-10, 1961.

Three important panels are scheduled and one that is attracting considerable attention in financial circles relates to participant financing. Appearing on this Panel, which will be held on Oct. 9, will be Frank E. Bauder, Vice-President, Continental Illinois National Bank and Trust Co.; Bernard J. Greenspan, Vice-President, A. J. Armstrong Co., Inc.; Robert J. Kurau, Vice-President, Grace National Bank; and Albert E. Meyer, Vice-President, Park Bridge Corporation. Moderator of the Panel will be Burton R. Abrahams, Vice-President, Walter E. Heller & Co.

A Panel on Leasing and Lease Financing will be held at the morning session of October 10. Panelists are Nathan A. Epstein, Esq., Sahn, Shapiro & Epstein; John Randolph, Vice-President, Booth Leasing Corp.; and David L. Salinger, Director Industrial Division, Walter E. Heller & Co. Moderating this Panel will be Homer Kripke, Esq., of the N. Y. and N. J. Bars, and Partner of Stein, Stein, Kripke & Rosen, Attorneys.

A third Panel—Clinic to Facilitate Efficient Management and Record-Keeping Practices in Commercial Financing and Factoring—will be held on the afternoon of October 10, and will feature Clarence H. Ahsler, C.P.A., Lybrand, Ross Bros. & Montgomery; Gregory M. Boni, C.P.A., Touche, Ross, Bailey & Smart; and Harry R. Mancher, S. D. Leidesdorf & Co. The Moderator of this Panel will be Francis J. Palamara, Comptroller, James Talcott, Inc.

Principal speaker at the Monday Luncheon on October 9 will be Dr. Leo Barnes, Assistant Vice-President and Chief Economist, Prentice-Hall, Inc. His topic will be "The Business Outlook."

Another highlight of the Convention will be the presentation of awards to three business concerns for achievement in business growth made possible through use of commercial finance company funds.

The Chairman of this session will be Herbert R. Silverman, President of James Talcott, Inc. Presentation of the awards will be made by John E. Horne, Administrator of the Small Business Administration.

The Convention will be called to order by J. Martin Seiler, President of the Conference, and Executive Vice-President of A. J. Armstrong Co., Inc., New York, N. Y. A report on the commercial finance and factoring industry in 1961 will be presented to the delegates by William J. Drake, Executive Vice-President of the Conference, immediately after the Convention convenes. Legal and statutory developments in 1961 will be noted by Eli S. Silberfeld, General Counsel of the Conference, and Partner, Kupfer, Silberfeld, Nathan & Danziger, New York, N. Y.

Keynote speaker of the Convention will be Thomas Lefforge, President, Commercial Discount Corporation and Chairman of the Conference. His address: "Commercial Financing and the Changing Times," will point up some of the obstacles confronting the commercial finance industry in an economy of ever increasing competition.

The Convention will close with the Annual Dinner at the Grand Ballroom on Tuesday evening, October 10. The dinner guest speaker will be Sander Vanocur, White House correspondent for the National Broadcasting Company, who will address the final session on the topic: "Berlin—One Phase of the Communist Offensive."

With Hill, Darlington

SEATTLE, Wash.—Boyd Lamoreaux and Will Thomas have been named as Registered Representatives of the Seattle office of Hill, Darlington & Grimm, investment firm, Stanton W. Frederick, Resident Partner, has announced.

The Seattle offices recently moved into new quarters in the 1411—4th Avenue Building.

Percentage Depletion for Oil Is No Tax Loophole

Continued from page 3

free economy because government expenditures would have been substituted for some private expenditures.

The theory of neutral taxation is of questionable validity. The major flaws relate to the assumptions that neutral tax treatment is desirable and attainable.

It is doubtful that a neutral attitude toward all private economic activity is either desirable or desired by the public. We are not indifferent to the relative value of farming and gambling, to cite only one striking example. Indeed, ample evidence exists that the public wishes to encourage some forms of activity and to discourage other forms by taxation and other legislation. This point is well illustrated by many special tax provisions, including those applicable to cooperatives, to savings and loan associations, to mutual investment trusts, to life insurance companies, to small business, and to capital gains. Some economists may wish that taxes were strictly a device for raising revenue with minimum consequences on private activities, but the public has not shared that view for years, especially since the introduction of income taxes and the adoption of expensive social welfare programs.

If we were really interested in what is called "neutral taxation," the question arises whether we could attain such a goal. In the first place, the role of government in certain activities automatically influences the pattern of private expenditures. Public schools and roads inevitably cause us to change our private spending for these goods and services and for others as well. Therefore, taxation cannot be neutral by its very nature. The possibility of approximating neutral taxation becomes smaller as government becomes more involved in providing services that can be supplied by the free market. In the second place, application of the theory in our complex economy would depend on the existence of reliable data as to elasticities of supply and demand for millions of goods and services. Information of this kind would be an essential starting point in any effort to maintain the same relative consumption when taxes are imposed. Such data do not exist and if they could be developed, they would rapidly be made obsolete by the constant changes of our dynamic economy. Finally, all taxes would have to be planned or coordinated by one central agency. No practical benefits can be gained from judgment of the neutrality of one tax by itself when many taxes actually exist. In reality, we are confronted with a number of taxing authorities and a multitude of taxes. Coordination of the economic impact of all of these taxes would be impossible as a practical matter.

The preceding considerations lead to the conclusion that neutral taxation is a theoretical dream of little or no value for judging existing tax provisions. The evidence does not indicate that the public wants or can attain a tax system that could be considered neutral in its economic consequences.

Practical Aspects of Taxation

We turn now from economic theory to consideration of the practical aspects of taxation. In my judgment, the tax system should interfere as little as possible with the industrial progress that enables the entire population to enjoy the benefits of rising standards of living. Therefore, taxes should be designed to impose the least possible handicap on operation of the major forces responsible for progress.

The major requirements for economic progress are education, capital, energy, and freedom. The tangible factors in this combination are capital and energy. Capital provides the machines that multiply productive capacity and enable us to achieve greater output with shorter hours of work. Inanimate energy furnishes the power to operate machines responsible for our industrial productivity and for the comforts and conveniences that have become part of our way of life. Minerals are required to supply us with both capital goods and inanimate energy. Therefore, increasing supplies of minerals are essential to the economic progress of an expanding population. In these circumstances, Congress must be particularly concerned about the effect of taxes on the mineral industries that are indispensable to an industrial civilization.

In recent years, the impact of Federal income taxes on both capital and minerals has become the subject of considerable discussion. There seems to be growing recognition that the treatment of capital in existing tax laws may be less than satisfactory. Changes have been made and are now being proposed for the purpose of stimulating capital investment and our rate of economic growth. To the extent that these changes are successful, they will increase the consumption of energy and of other minerals. Therefore, one might expect similar interest in modification of the tax laws to stimulate the development of mineral resources as well. Strangely enough, however, the discussion of mineral taxation has taken an entirely different course. The tax provisions that have been in effect to encourage investments in mining ventures, such as percentage depletion, have come under increasing attack. Unfortunately, the criticisms of depletion reflect two major deficiencies. The most common defect is an emotional approach colored by the use of terms such as "loophole," "subsidy," "privilege," and "preferential tax treatment." The other deficiency consists of a surprising lack of understanding of the basic characteristics of mineral operations. Mineral taxation is a subject of great importance and deserves most careful economic analysis. Oil and gas deserve particular attention because they are our most important minerals in terms of value and also because they are the focus of the criticisms made against percentage depletion.

Unusual Characteristics of Oil And Gas Operations

Petroleum exploration and production have many characteristics of mining ventures in general and some perculiarities of their own. This business is distinctly different from the manufacturing and trade operations that customarily serve as the basis for economic theory and analysis. The search for oil and gas is characterized by (1) Great uncertainty and unusual risks, (2) a long time lag between the initial outlay of funds and the eventual recovery of capital and earnings, and (3) the principle of diminishing returns.

Let us consider these aspects of petroleum production briefly. No direct method exists for ascertaining the location of underground deposits. Therefore, vast sums must be spent on leasing and exploration in the process of hunting for formations considered favorable to underground accumulations of oil and gas. The initial payments made in order to acquire leases and the cost of exploratory work relating to acquisition or retention of specific leases must be treated as a capital investment for tax purposes. Exploration and testing of prospects by drilling generally require years during which the capital tied up in the venture, yields no return. More than 90% of the exploratory acreage acquired is later surrendered, generally at the end of a primary lease term of five years. At that time, the cost of the lease surrendered plus the related capitalized exploratory expenditures can finally be charged off as a loss. The capital tied up in exploration is large, in the range of three billion dollars or more constantly invested in undeveloped acreage in the United States alone. If production is discovered, additional expenditures must be made to develop the lease and to determine the limits of the field, so that several more years usually elapse before revenues exceed expenditures. Finally, the successful operator who wishes to stay in business must always be searching for new reserves at least sufficient to replace those depleted by production. In this search he is faced with the prospects of diminishing returns and increasing costs as drilling must be carried deeper and into less productive and more expensive areas. Even this brief summary reveals a number of significant respects in which petroleum exploration and production differ from the general run of non-mining ventures.

The risks in exploration are illustrated by the experience on drilling. Out of the thousands of wells drilled annually in the search for new fields, only about 3% discover significant commercial deposits of oil and gas. The results of exploratory work are very erratic. In the past decade, new discoveries, extensions, and revisions in the best year were more than 100% above the poorest year for both oil and gas. Averages over periods of three and five years still leave substantial fluctuations in results which do not correlate with the level of expenditures. This experience indicates the lack of predictability between outlays and expenditures even for the industry as a whole. The results for individual operators are even more erratic and unpredictable. There are thousands of operators and no firm accounts for more than one-tenth of the total exploratory work. The size of losses inherent in the business frequently leads to a sharing of risks on individual projects. Such action alters the distribution of results but obviously has no effect whatever on the inescapable hazards of the industry.

If petroleum production required little capital, the significance of its unusual risks might be offset by the availability of funds from people interested in gambling on a long shot. In fact, however, the business requires tremendous annual expenditures, comparable with those in utilities as a group. Furthermore, petroleum exploration and drilling must be financed largely with equity funds, in contrast to utilities which can use high proportions of debt because of their relatively low risks. Expenditures for petroleum exploration and development are in the range of $5 billion annually. Consequently, the industry must appeal to investors in order to attract enough funds into the business. The amounts wagered in gambling may be large in total, but the total indicates a high turnover of a limited amount rather than a large source of funds available for investment in risky ventures. As we should expect from experience as well as from economic theory, prospective rates of return in case of average success must look considerably better for a hazardous investment than for a relatively secure one in order to attract sufficient investment. Therefore, unusual risks must be taken into account in considering the effect of income taxes on the flow of capital.

The uncertainties and risks in petroleum producing operations lead operators to aim for results that will be quite profitable in case of average success as a means of providing some margin of safety for the many times in which results will be poorer than average. At times, ability and good fortune combine to produce results better than average, with an unusually high rate of return on the successful ventures. Intelligent operators will not deliberately dissipate the results of such success by taking on additional ventures of poorer caliber. Marginal analysis of theoretical economics does not work out in practice under these conditions. Contrary to speculations that producers invest money inefficiently by comparison with other businesses, the evidence as to actual results in terms of the value of reserves relative to expenditures during the past decade indicates that the industry as a whole has achieved efficient results on its total outlays for exploration and development.

Any thorough study of the impact of income taxes must also consider the capital intensive nature of petroleum production. The ratio of capital investment per dollar of annual sales is more than twice as high for petroleum production as for manufacturing generally, even without any allowance for the cost of unsuccessful ventures in petroleum. This difference alone would have a bearing on the income tax treatment required to avoid discouraging investments in petroleum relative to manufacturing. Differences in capital intensity and in risk would both work to create a disproportionate tax burden on petroleum production relative to manufacturing if income taxes were imposed uniformly. Uniform taxation of income in this case would not be neutral because it would place petroleum producers at a disadvantage in attracting capital. This point has been neglected in the economic literature, although it is quite important in any thorough analysis of the impact of income taxes on petroleum.

Other taxes must be considered along with income taxes in judging the total effect of the tax system. Two significant points are pertinent in this connection. First, oil and gas and minerals generally are often subjected to special severance taxes. In Texas and Louisiana, which account for more than half of the petroleum production in the United States, severance and property taxes represent about 7 to 8% of the gross value of production. These local taxes on oil and gas cannot be ignored in any objective study of the tax structure. The second unusual factor is the heavy taxation of gasoline. State and Federal gasoline tax revenues now amount to $6 billion a year, with part of the funds collected by the states being diverted to non-highway uses. In addition, highways contribute to national defense and the general welfare, so that part of their cost should be financed from general revenues. The net result is that gasoline taxes, which now raise the retail price of regular grade gasoline to consumers by about 50%, are discouraging the demand for this product. The unusual burden of severance and gasoline taxes should not be overlooked in evaluating the impact of the present tax structure as a whole on petroleum producing operations.

Petroleum and National Security

In addition to the peculiarities of the oil and gas producing business, Congress must also consider the contribution of petroleum to national security. Petroleum and minerals generally have a strategic value of the utmost significance in the current state of world affairs.

The costs in tax revenue attributed theoretically to percentage depletion for petroleum may not actually exist. Even if accepted without question, however, the theoretical costs would prove to have been repaid with a handsome return if the benefits of adequate supplies of oil to our national security could be measured accurately. No reliable estimates can be made, of course concerning the costs and losses that might have been incurred if percentage depletion had not existed and we had experienced a shortage of oil in war. We do know, however, that petroleum has been of incalcuable value to the United States and its Allies ever since World War I. In World War II, petroleum products had a profound influence on the conduct of military operations and may well have saved billions of dollars as well as countless lives. Our position in subsequent emergencies has also been greatly strengthened by the availability of ample supplies of oil. When the Suez Canal was blocked in 1956, for example, the ability of the Western Hemisphere to supply the oil required by Europe may well have been decisive in preventing the development of a costly war.

Nuclear weapons have introduced the possibility that in case of war a decision will be reached quickly by massive destruction. Because of this possibility, some people think that national security considerations are less important now in judging the value of percentage depletion in providing ample supplies of oil for an emergency. Such reasoning may be valid if the world is to be destroyed quickly by nuclear war, but it will probably prove to be incorrect for the conditions that exist currently. As a practical matter, the stalemate of atomic weapons means that we must continue to be prepared for conventional warfare. Inanimate energy and other minerals continue to be essential for the strength we need to discourage nuclear warfare as well as for our ability to deal with other difficult international situations. Furthermore, they will be urgently needed to rebuild the world in case of massive destruction.

Some economists believe that national security considerations should not be allowed to influence the tax system. They argue that all defense costs, indirect as well as direct, should be paid for by the Federal Treasury in order to keep the private economy free from what they consider distorting effects. Such a position overlooks several points. Direct defense costs are already so large that it seems impractical and undesirable to impose more taxes for the purpose of meeting additional costs by direct payments from the treasury. In addition, the tax provisions used to promote development of petroleum and other minerals may well be the most economical means of providing the capacity and supplies needed for national security. Finally, the private economy cannot possibly be kept free from the impact of defense activities. In any case, Congress must necessarily take national security into account in levying taxes as well as in other major policy decisions.

National security has an important bearing on the desirability of percentage depletion, but it is not the only reason for this tax provision. Differential treatment of minerals in levying income taxes can be well supported in general economic terms apart from national security, although the case for such treatment is much stronger because of the

strategic contributions of petroleum and minerals to our defense.

The Impact of Income Taxes on Oil and Gas

When income taxes are imposed, special problems arise in their application to oil and gas because of the peculiar aspects of exploration and production. The discoverer and developer of petroleum resources has made available for economic use a capital asset that was previously unknown and of no value to society. Because of the peculiar nature of the business, there is little relation between cost and value for individual ventures. In this respect, mining ventures are quite different from other investments since cost and value cannot differ significantly at the beginning of operations for reproducible facilities. Therefore, the accounting distinction between capital and income applicable to ordinary investments is not suitable for petroleum producing and other mining ventures. This important difference must be considered when income taxes are imposed in order to avoid a burden of taxation on petroleum production that would place it at a disadvantage relative to non-mining investments.

Since income taxes were first raised to significant levels in World War I, Congress has provided differential treatment for determining taxable income for oil and gas production. The method first used in 1918 was discovery value depletion. This provision allowed the developer of a property the same deduction for depletion that was granted without question to a cautious investor who purchased a comparable property after it was developed. The decision would seem to reflect both a feeling that cost depletion was not adequate in view of the peculiar nature of the business and a desire to encourage operators who discover new resources. In 1926, percentage depletion was adopted as a conservative equivalent of discovery value for the sake of administrative simplicity. Since that time, percentage depletion for oil and gas has been limited to 27½% of gross income or 50% of net income before depletion, whichever is less. The principal has been extended to all other minerals. A standard limitation to 50% of net income before depletion applies to all minerals, but the rates related to gross income have been set at varying levels from 5% to 27½%. The variations related to gross income appear to take into account such factors as risks, relative scarcity and importance, and differing relations of net income to gross income.

Percentage depletion results in a lower effective tax rate on the difference between expenditures and revenues than the rate applicable to ordinary income. This differential treatment increases net income after taxes and unquestionably has attracted more capital into the business than would have been invested if depletion had been limited to cost. From this fact many critics quickly jump to the erroneous conclusion that percentage depletion has caused an inefficient allocation of capital to petroleum operations. Such a conclusion is not logically valid. Much can be said for the opposite proposition that the uniform imposition of income taxes in itself would have reduced the flow of capital into petroleum unduly relative to non-mining industries.

Percentage depletion could result in avoiding a distortion in the flow of capital due to the introduction of income taxes because it might be no more than adequate to allow for the differences between mining and non-mining ventures. In the case of petroleum, it might also be no more than sufficient to offset the effect of severance taxes and some part of gasoline taxes. In such case, the economic results would have to be judged sound and desirable in terms of theory as well as practice. On the other hand, percentage depletion may have altered the flow of capital in favor of petroleum. That result might be judged undesirable in terms of a theory of tax neutrality, but might still be highly desirable in reality because of the favorable impact that petroleum has had on national security and on economic growth, particularly the development of transportation, the mechanization of agriculture, and the application of inanimate energy to industrial operations.

Analysis of Specific Proposals for Changes in Percentage Depletion

The theoretical criticisms of percentage depletion proposing that it be eliminated entirely are so unrealistic that they have not received significant support. Instead, proposals have been made to reduce the rate for petroleum, to graduate the rate from 27½% for small producers down to 15%, and to discriminate against foreign production. All of these changes share a common assumption that additional tax revenues can be collected from petroleum production in amounts sufficient to lower rates for other taxpayers and without adverse consequences. The practicability of these proposals depends entirely on the accuracy of the assumptions. This paper does not permit an extensive analysis of the proposed changes, but a few comments will serve to raise serious questions as to the desirability of recent proposals.

The chief argument for a general reduction in depletion is based on the increase in tax rates that has occurred since percentage depletion was adopted in 1926. The critics who take this position think that the rate of depletion on gross income should have been reduced as tax rates increased in order to keep the value of the deduction relatively constant. Congress has taken a different position, however, that percentage depletion is a valid principal to be applied consistently regardless of fluctuations in tax rates. Many facts other than the general level of income taxes must also be taken into account in an objective evaluation of the proper rate for percentage depletion.

First, Congress has provided about the same recognition for capital depleted by oil and gas production since 1918, although tax rates have been changed up and down many times since then.

Second, as income taxes increase, Congress must exercise great care not to tax capital and capital gains as ordinary income in order to avoid disruption of the capital growth that is essential to economic progress.

Third, oil and gas are now much more important than in 1926, providing about 70% of our inanimate energy now compared with only one-fourth in 1926.

Fourth, the risks in drilling have increased as indicated by the fact that about 38% of all wells drilled in recent years have been dry holes compared with only about 27% in the years preceding 1926.

Fifth, the amount of capital that must be attracted into this business has multiplied many times as demand for oil and gas has quadrupled and as the search for new supplies has had to be pursued under conditions of increasing costs. In view of all these changes, the increase in income tax rates is not in itself a valid reason for reducing percentage depletion.

Another argument for a general reduction of percentage depletion proceeds from the premise that too much capital has been attracted into the petroleum industry. The evidence used to support this charge is the increasing amount of shutin domestic productive capacity. Currently domestic production is estimated to be about 70% of efficient capacity, but this fact is only part of the evidence that needs to be considered in judging whether too much capital is being attracted into petroleum production. Consideration must also be given to the amount of reserve capacity desirable for national security, which is estimated to be in the range of one to two million barrels daily, to the ratio of reserves to demand as a measure of long-term availability, and to the temporary nature of some of the factors that have brought about a sharp rise in shutin capacity. The ratio of domestic reserves to production is currently about the same as the average that has prevailed for the past 25 years, a period during which the investment of capital was at a rate that served to develop new capacity in step with increasing demands. In fact, there is some official concern that development of new resources may not be proceeding at as rapid a rate as considered desirable for national security, as indicated by the program adopted to regulate crude oil imports. The slowing down in the rate of growth of domestic demand, the rather rapid increase of imports in recent years, and technological developments affecting the recovery of oil from older fields have also influenced the amount of spare producing capacity. A time lag occurred in adjustment of exploration and drilling to these circumstances, but is is significant to note that both exploration and drilling have declined substantially from the high levels of 1954-1956 and are currently at about the levels prevailing some ten years ago. Even with percentage depletion at existing rates, the rate of capital input for new reserves may be no more than desirable for national security and for the anticipated growth of requirements.

The proposals that have been made to graduate percentage depletion would have almost the same results as a general reduction because the lowest rate proposed would apply to about 95% of the production. Therefore, this plan appears to be a clever means of reducing opposition to the change by making it appear that the additional taxes would affect only big business. Actually, the impact of this reduction would fall on the shareholders of oil corporations and on consumers of oil products and gas. This plan would penalize shareholders in oil companies and place them at a disadvantage in relation to small operators.

Graduated depletion is fallacious because it assumes incorrectly that the risks of exploration and development differ according to the size of the firm. The misconception arises because of the confusion over the nature of risks. The risk of being ruined or forced out of business seems uppermost in the minds of critics who propose a lower rate for large companies. The real risk on each venture, however, is in the probability of loss, which remains independent of the size of the concern making the expenditure. Prudent management naturally leads both small and large operators to relate the size of the sums risked on different ventures to their respective resources. The large firms producing more oil must risk proportionately more money than small ones in order to maintain their reserves. The thesis that risk can be reduced by large companies to a matter of cost accounting is not supported by evidence. The results of exploration for any firm, even the largest, are so erratic that no insurance can be purchased as protection against losses. The nature of the business makes it desirable to encourage successful discoverers and developers of petroleum regardless of size, whereas graduated depletion would serve primarily to encourage small producers, regardless of efficiency.

The proposal to discriminate against foreign production in applying percentage depletion would handicap American companies in their competition abroad with firms incorporated elsewhere and might well result in less tax revenue for the United States. From the beginning depletion has applied to both domestic and foreign production of American companies because the same basic economic reasons for this tax treatment exist abroad as well as at home. Even in terms of security, foreign oil is important to us and to the rest of the free world. Therefore, the wisdom of a reduction in depletion on foreign production would be questionable even if the change were to produce more domestic tax revenue. In practice, the case against such

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N. Y. Housing Finance Agency Receives Check for Bonds

The New York State Housing Finance Agency has received a check from investment bankers to cover the recent offering of $51,863,000 tax-exempt bonds, the first portion of a projected total of $525 million bonds which the Agency plans to market to provide dwelling accommodations at rentals the ordinary operations of private enterprise cannot provide.

The initial offering, comprising 4% General Housing Loan Bonds due 1964-2004, was made on July 12 by an underwriting group headed by Phelps, Fenn & Co.; Lehman Brothers; Smith, Barney & Co. Incorporated, and W. H. Morton & Co. Incorporated.

Above, seated, right: James Wm. Gaynor, Chairman of the Agency and Commissioner of Housing and Community Renewal of the State of New York, receives the check from Orlando S. Brewer, Partner in Phelps, Fenn & Co.

Observing, standing: left to right, are John J. O'Connell, Corporate Trust Officer of The Chase Manhattan Bank, trustee of the bond issue; Justin A. McCarthy, Trust Officer of Morgan Guaranty Trust Company of New York, depository for the issue; and John N. Mitchell, of the law firm of Caldwell, Marshall, Trimble & Mitchell, Bond Counsel to the Agency.

The Agency, created in 1960 by the New York State Legislature, is authorized to make mortgage loans to limited-profit housing companies of not more than 90% of the cost of the housing project.

Percentage Depletion for Oil Is No Tax Loophole

Continued from page 25

discrimination is strengthened by the fact that the operation of foreign tax credits and the desire of foreign countries for more revenue from oil would probably mean that foreign income tax rates would be raised to offset any additional domestic income tax liability. Indeed, to the extent that such change operated to reduce American investments in foreign oil, the U. S. Treasury might experience a decrease in tax collections on the dividend payments that would otherwise flow from successful ventures abroad. A strong case exists, therefore, against any change of percentage depletion on foreign production.

All the proposals for changes in percentage depletion assume that tax revenues from petroleum production can be increased substantially without any adverse consequences. On the surface, the assumption seems plausible enough, particularly when it is supported by estimates of the Treasury Department about the amounts of revenue to be realized from specified changes. Upon analysis, however it becomes clear that the estimates are based on the questionable assumption that the only effect of the change would be to reduce dividend payments and that no allowance has been made for significant indirect effects on the grounds that the nature and magnitude of such effects are not subject to statistical projections. In place of these inadequate estimates, we should be weighing carefully the far-reaching effects that a cut in percentage depletion would have on exploration and drilling, on related industries, on the development of new supplies of petroleum, on future economic growth, on national security, and on total tax revenues generated by petroleum operations. The ramifications of such developments are too far-reaching for a brief paper, but their potential significance is evident from the fact that each barrel of oil developed in the United States generates more than $2.00 of tax revenues from the taxes levied directly on crude oil and its products. What might seem to be a slight increase in taxes on crude oil could well operate to bring about a substantial reduction in development of new reserves that would hurt the entire economy and actually reduce total tax collections. The psychological discouragement to the investment of new funds in petroleum of such an increase in taxes would be far-reaching at present since many producers are already wondering whether the prospective returns even now are sufficient to offset the risks. Additional taxes on production cannot be absorbed now without affecting drilling and development, with the result that consumers will have to bear the added burden in the prices of petroleum on top of the large amounts they already pay in taxes on petroleum products.

Conclusion

The preceding discussion of theoretical and practical aspects of taxation should suffice to show that the usual criticisms of percentage depletion fall far short of providing an adequate basis for sound judgment on this important issue. Any objective analysis of this complex subject must take into account many points that are often completely overlooked by critics. A brief summary may serve to bring together the principal points made.

(1) The theory of neutral taxation is of little practical use. The very imposition of taxes has far-reaching economic consequences which make it impossible to determine what tax structure would have the least disturbing effect on the private sector of the economy. Furthermore, if neutrality were to be assumed as an ideal for purposes of formulating a tax system, all taxes would have to be considered jointly rather than separately:

(2) In practice, the public appears to recognize that various circumstances may warrant differential tax treatment, particularly to encourage activities that benefit the general welfare. In any case, the public will be interested in seeing that taxation interferes as little as possible with the forces responsible for economic progress. Particular attention must be given to the effect of taxation on minerals and on capital due to the fact that increasing quantities of both are essential for economic progress.

(3) Oil and gas have unusual significance for economic progress and national security. They are affected by other taxes, such as severance and gasoline taxes, which do not apply to manufacturing industries. Therefore, particular care must be exercised in imposing Federal taxes on petroleum.

(4) Discovery and development of oil and gas resurces are distinctly different from non-mining ventures with respect to risks and to the extent of variations between cost and value for individual projects. In addition, petroleum production has a high ratio of capital to sales. These special circumstances mean that the uniform imposition of income taxes would unduly handicap petroleum relative to non-mining industries in attracting capital.

(5) The proposals for reductions in percentage depletion generally assume that there would be a substantial increase in tax receipts from petroleum without any adverse consequences. Adverse developments would occur, however, which could wipe out the anticipated increase in tax revenues. Indeed, total tax receipts might decline if the development of petroleum resources were discouraged because of the impact of a decline in consumption of petroleum on receipts from other taxes and on economic progress generally.

The basic conclusion of this analysis is that differential taxation of petroleum production, such as that provided by percentage depletion is economically sound and in the public interest because of special characteristics that distinguish this business from other ventures, particularly investments outside of the field of mining. The rate of percentage depletion may or may not be neutral in its effect on the ability of the industry to attract capital in competition with others, but a discussion of this point is not likely to serve a useful purpose. The history of percentage depletion indicates that Congress has been interested in stimulating the development of petroleum resources, and the record shows that the results have been advantageous from the standpoint of both economic progress and national security. Percentage depletion has become a part of the economic structure of the industry and cannot be changed now without far-reaching adverse consequences that would affect millions of investors, all consumers of oil and gas, and the nation as a whole. In view of these and other points pertinent to the subject, the conclusion follows for the world of economic reality in which we live that the practical case for percentage depletion at existing rates outweighs the theoretical arguments for a reduction.

*An address by Mr. Gonzales before the 2nd Annual Energy Institute, The American University School of Business Administration, Washington, D. C.

NYSE Broadens Clearing Test

G. Keith Funston, President of the New York Stock Exchange, has announced that the Exchange's experimental program to reduce the heavy volume of stock certificates processed daily in the Street would be broadened to include all 244 Clearing Members. Fifteen stocks for which three banks act as transfer agents will be included in the new phase of the program.

The expanded program will continue for a period of about six months.

At present, the pilot operation includes 31 Member Firms and 60 pilot stocks for which the three participating banks — Bankers Trust Company, Chase Manhattan Bank and First National City Bank—are transfer agents. When the new phase of the program begins, 45 stocks will no longer be a part of the experiment.

Mr. Funston said the current expansion probably represented the final experimental phase of the program. Following this, he said, the next step would be to determine the economic feasibility of adopting a full-scale, central securities handling method.

Chandler & Chandler Opens

Chandler & Chandler Co., Inc. is conducting a securities business from offices at 550 Fifth Avenue, New York City. Officers are Ned Chandler, President; Joseph Chandler, Vice-President; Beatrice Chandler, Treasurer; and Dorothy Chandler, Secretary. Ned Chandler was formerly with Blaha & Co.

Now Corporation

BIRMINGHAM, Ala. — Frank Chappeile & Co. is now doing business as a corporation. Officers of the company, located in the Comer Building, are Frank Chappelle, Sr., President; Frank Chappelle, Jr., Executive Vice-President; Thelma D. Chappelle, Archie Mitchell and Edgar J. Mulvaney, Vice-Presidents; and Helen C. Mulvaney, Treasurer.

Form Charwat Co. Inc.

Charwat & Co., Inc. has been formed with offices at 70 Pine Street, New York City to engage in a securities business. Officers are Leo Charwat, President, and Lillian D. Charwat, Secretary and Treasurer. Mr. Charwat was formerly with Charwat Brothers.

Concool, Lowy Co. Formed

Concool, Lowy & Co., Ltd. has been formed with offices at 305 Broadway, New York City, to engage in a securities business. Officers are Abraham Concool, President, and Arthur Lowy, Vice-President.

Form Ellis Securities

SEAFORD, N.Y.—Ellis Securities Inc. has been formed with offices at 3778 Beechwood Place, to engage in a securities business. Officers are Rena Roth, Presidant, and Martin Schrantz, Secretary and Treasurer.

Elmaleh Co. Opens

Elmaleh & Co., Inc. has been formed with offices at 80 Pine Street, New York City to conduct a securities business. Officers are Jacques Elmaleh, formerly with Irving Weis & Co., President and Secretary; and Stanley Elmaleh, Treasurer.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Kansas City Power & Light Company

Kansas City Power & Light, with annual revenues of $68 million, supplies electricity and a small amount of steam heat to a population of 800,000 in Kansas City, Missouri (about 70% of the population) and adjacent municipalities in Missouri and Kansas. 90% of the population served is in the Greater Kansas City area; about 85% of sales are in Missouri and 15% in Kansas. The territory served outside the Kansas City metropolitan area is largely rural.

Kansas City is a natural hub for rail, air and highway transportation, and in its early history it was primarily a center for wholesale trade which served the West. It has now developed as a manufacturing center serving both regional and national markets. Local industry includes meat packing, grain milling, soybean plants, oil refining, etc. The company's revenues are about 36% residential, 41% commercial, 18% industrial and 5% miscellaneous.

Companies served by Kansas City P. & L. include Armco Steel, Ford, Chevrolet, Missouri Portland Cement, General Mills, Bendix, Remington Arms, Larabee Flour Mills, Ralston Purina Mills, U. S. Gypsum, American Can, Schlitz Brewing, Hallmark Cards, Vendo Company, Butler Manufacturing, Cook Paint & Varnish, Wilcox Electric Company, Spencer Chemical Company, the Kansas City Southern Railroad and several large insurance companies.

While the company is one of the "big city" utilities, it has enjoyed a good growth record. In the past decade electric revenues have grown 144%, electric plant 131% and the balance earned for common stock 125%. Earnings per share increased from $2.09 to $3.31, an increase of 58% or an average compound rate of 4.7%. The record in the second half of the period was somewhat better than the first, with an average gain of 5.9%.

System generating capability approximates 1,000,000 kw including a second 175,000 kw unit at Melrose Station added last year. The company also has a contract with Southwestern Power Administration to purchase up to 75,000 kw beginning in June 1962, mainly to help take care of the summer air-conditioning load. Peak load last year was 792,000 kw. The company has major interconnections with other electric utilities, to the east and north, and in the next few years construction of high-voltage transmission lines should provide new or improved interconnections.

New construction in 1960 was $14 million, the lowest since 1948. The program for 1961-4 totals about $70 million which will include a third 175,000 kw unit at Montrose, to be ready in about three years. The schedule by years is as follows:

	Estimated Construction Expenditures	Interest on Construction
1961	$14 Million	$127,000
1962	16 "	215,000
1963	22 "	400,000
1964	18 "	300,000

The company sold $20 million bonds in January 1960, paying off bank loans, and since then funds generated internally have sufficed to meet construction needs. This condition may continue well into 1962 and possibly through 1963. It is expected that $20 million in bank loans will take care of the construction program through 1964 in which year bonds may be sold. No equity financing is contemplated through 1964.

The company is subject to regulation both in Missouri and Kansas. Missouri is a "fair value" state; Kansas has held to original cost in the past but a Circuit Court decided in favor of fair value last year and the case is now before the State Supreme Court. Kansas City P. & L. has no rate proceedings pending in either state.

Regarding tax savings from accelerated depreciation, which the company is normalizing: for accounting purposes the Missouri Commission has allowed both normalization of tax deferrals and flow-through, but it has not permitted normalization for rate-making purposes. On the other hand, the Kansas Commission has allowed normalization of deferred taxes for both accounting and rate-making purposes, but in the latter case it has considered the resulting tax reserve as interest-free capital in arriving at an appropriate rate of return.

The company made a good showing in 1960, earnings per share increasing to $3.31 compared with $3.10 in previous year, despite a decrease of $237,000 in the interest credit. The operating ratio of 79.1% was the lowest since 1946. The efficiency of the newest power plant, Montrose, was an important factor. There was no unusual stimulus from air-conditioning. Industrial sales showed a gain of 10.5% a substantial part of this reflecting recovery from the long steel strike in 1959.

In the first half of 1961 revenues gained 2.3%; residential sales were up 5.5% and commercial 4.7% while industrial sales were about even with last year. Earnings on the common stock for the 12 months ended July 31 were $3.40 compared with $3.24 in the previous 12 months. President Olson in a recent address before the New York Society of Security Analysts forecast earnings of $3.45 for calendar 1961. He stated:

"We think the outlook for the next several years is quite favorable. The large construction programs of the last decade have brought the company's physical plant to a condition where it can handle increased business with somewhat smaller capital expenditures. Also, the important operational economies effected in the last several years will continue. . . . For the next three years, 1962 through 1964, our sales forecasts contemplate a compound rate of growth of 6.7%."

At the recent new high of 75 the stock yields 3.1%, based on the dividend of $2.32; the price-earnings ratio is 22.

Ferromagnetics Stock Offered

Public offering of 40,000 shares of capital stock of Irvan Ferromagnetics Corp., at $5 per share is being made by Thomas Jay, Winston & Co., Inc., Beverly Hills, Calif. Net proceeds, estimated at $155,000, will be used by the company to purchase equipment, repay loans, establish a research laboratory and increase working capital.

The company of 13856 Saticoy St., Van Nuys, Calif., is engaged in the design, manufacture and fabrication of ferrite and alumina components for the electronics industry.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated steel operations (per cent capacity)	Sept. 9	69.4	69.1	65.3	50.6
Equivalent to—					
Steel ingots and castings (net tons)	Sept. 9	2,030,000	2,020,000	1,910,000	1,441,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Aug. 25	7,053,810	7,073,060	7,946,210	6,839,910
Crude runs to stills—daily average (bbls.)	Aug. 25	8,558,000	8,339,000	8,397,000	8,172,000
Gasoline output (bbls.)	Aug. 25	30,791,000	30,026,000	30,449,000	29,487,000
Kerosene output (bbls.)	Aug. 25	2,700,000	2,583,000	2,732,000	2,746,000
Distillate fuel oil output (bbls.)	Aug. 25	13,992,000	14,212,000	13,214,000	12,733,000
Residual fuel oil output (bbls.)	Aug. 25	5,479,000	5,642,000	5,742,000	6,252,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Aug. 25	191,256,000	*192,798,000	194,140,000	190,680,000
Kerosene (bbls.) at	Aug. 25	33,740,000	*32,917,000	31,864,000	32,327,000
Distillate fuel oil (bbls.) at	Aug. 25	147,970,000	141,635,000	130,032,000	148,966,000
Residual fuel oil (bbls.) at	Aug. 25	47,561,000	48,943,000	50,226,000	45,309,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Aug. 26	592,265	595,154	591,356	594,964
Revenue freight received from connections (no. of cars)	Aug. 26	500,015	495,378	470,325	486,676
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:					
Total U. S. construction	Aug. 31	$402,100,000	$323,500,000	$458,100,000	$604,000,000
Private construction	Aug. 31	231,300,000	150,300,000	211,200,000	367,200,000
Public construction	Aug. 31	170,800,000	173,200,000	246,900,000	236,800,000
State and municipal	Aug. 31	155,200,000	152,200,000	220,900,000	203,400,000
Federal	Aug. 31	15,600,000	21,000,000	26,000,000	33,400,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Aug. 26	8,045,000	*8,250,000	7,925,000	7,891,000
Pennsylvania anthracite (tons)	Aug. 26	Not Avail.	343,000	330,000	362,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	Aug. 26	152	142	125	144
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Sept. 2	16,214,000	15,491,000	16,137,000	15,353,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Aug. 31	321	352	406	288
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Aug. 28	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Aug. 28	$66.44	$66.44	$66.44	$66.41
Scrap steel (per gross ton)	Aug. 28	$38.50	$37.83	$37.17	$32.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Aug. 30	30.600c	30.600c	30.600c	32.600c
Export refinery at	Aug. 30	28,275c	28.150c	27.975c	29.175c
Lead (New York) at	Aug. 30	11.000c	11.000c	11.000c	12.000c
Lead (St. Louis) at	Aug. 30	10.800c	10.800c	10.800c	11.800c
‡Zinc (delivered) at	Aug. 30	12.000c	12.000c	12.000c	13.500c
Zinc (East St. Louis) at	Aug. 30	11.500c	11.500c	11.500c	13.000c
Aluminum (primary pig, 99.5%) at	Aug. 30	26.000c	26.000c	26.000c	26.000c
Straits tin (New York) at	Aug. 30	124.750c	121.625c	117.000c	102.250c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Sept. 5	86.88	87.15	86.42	88.54
Average corporate	Sept. 5	85.59	85.59	85.72	87.86
Aaa	Sept. 5	89.37	89.64	89.51	92.64
Aa	Sept. 5	87.59	87.59	87.72	90.20
A	Sept. 5	84.68	84.68	85.33	87.18
Baa	Sept. 5	80.93	80.81	80.93	82.15
Railroad Group	Sept. 5	83.03	83.15	83.40	84.94
Public Utilities Group	Sept. 5	86.38	86.38	86.65	89.51
Industrials Group	Sept. 5	87.32	87.32	87.45	89.51
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Sept. 5	3.98	3.94	4.02	3.69
Average corporate	Sept. 5	4.74	4.74	4.73	4.57
Aaa	Sept. 5	4.46	4.44	4.45	4.23
Aa	Sept. 5	4.59	4.59	4.58	4.40
A	Sept. 5	4.81	4.81	4.76	4.62
Baa	Sept. 5	5.11	5.12	5.11	5.01
Railroad Group	Sept. 5	4.94	4.93	4.91	4.79
Public Utilities Group	Sept. 5	4.68	4.68	4.66	4.45
Industrials Group	Sept. 5	4.61	4.61	4.60	4.45
MOODY'S COMMODITY INDEX	Sept. 5	377.0	376.2	372.5	362.0
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Aug. 26	343,055	362,330	310,951	318,170
Production (tons)	Aug. 26	341,687	327,549	316,686	313,476
Percentage of activity	Aug. 26	95	94	92	92
Unfilled orders (tons) at end of period	Aug. 26	513,632	515,626	471,652	430,767
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	Sept. 1	114.48	114.59	114.43	109.68
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Aug. 11	2,813,970	3,064,870	2,314,760	2,243,020
Short sales	Aug. 11	513,750	569,140	398,020	434,870
Other sales	Aug. 11	2,362,800	2,403,210	1,862,670	1,978,140
Total sales	Aug. 11	2,876,550	2,972,350	2,260,690	2,403,010
Other transactions initiated off the floor—					
Total purchases	Aug. 11	343,730	389,990	202,220	430,400
Short sales	Aug. 11	27,500	17,200	11,200	72,320
Other sales	Aug. 11	323,400	303,300	240,850	380,950
Total sales	Aug. 11	350,900	320,500	252,050	453,270
Other transactions initiated on the floor—					
Total purchases	Aug. 11	970,550	1,022,630	612,086	651,562
Short sales	Aug. 11	79,580	159,050	125,720	112,340
Other sales	Aug. 11	890,945	924,093	738,083	594,465
Total sales	Aug. 11	970,525	1,083,143	863,803	706,805
Total round-lot transactions for account of members—					
Total purchases	Aug. 11	4,128,250	4,477,490	3,129,066	3,324,982
Short sales	Aug. 11	620,830	745,390	534,940	619,530
Other sales	Aug. 11	3,577,145	3,630,603	2,841,603	2,953,555
Total sales	Aug. 11	4,197,975	4,375,993	3,376,543	3,573,085
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	Aug. 11	1,931,259	1,946,045	1,730,436	1,576,133
Dollar value	Aug. 11	$98,912,206	$100,784,597	$91,154,745	$74,089,379
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—customers total sales	Aug. 11	1,927,916	1,866,564	1,555,537	1,432,153
Customers' short sales	Aug. 11	9,423	10,542	12,446	12,649
Customers' other sales	Aug. 11	1,918,493	1,856,022	1,543,091	1,419,504
Dollar value	Aug. 11	$95,115,206	$94,033,954	$78,218,253	$66,596,684
Round-lot sales by dealers—					
Number of shares—Total sales	Aug. 11	583,380	548,070	437,560	446,890
Short sales	Aug. 11	------	------	------	------
Other sales	Aug. 11	583,380	548,070	437,560	446,890
Round-lot purchases by dealers—Number of shares	Aug. 11	574,570	653,560	602,800	597,680
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	Aug. 11	734,370	871,930	796,900	779,530
Other sales	Aug. 11	18,032,440	18,608,470	14,350,300	14,345,700
Total sales	Aug. 11	18,767,810	19,480,400	15,147,200	15,125,230
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	Aug. 29	118.8	118.9	118.7	119.3
Farm products	Aug. 29	87.2	88.2	86.3	86.3
Processed foods	Aug. 29	108.1	*108.0	107.7	107.8
Meats	Aug. 29	95.0	94.8	91.5	94.9
All commodities other than farm and foods	Aug. 29	127.5	127.4	127.7	128.4

*Revised figure. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
BUILDING CONSTRUCTION—U. S. DEPT. OF LABOR—Month of August (in millions):			
Total new construction	5,433	5,389	5,205
Private construction	3,727	3,746	3,556
Residential buildings (nonfarm)	2,120	2,137	2,031
New housing units	1,584	1,524	1,524
Additions and alterations	433	513	426
Nonhousekeeping	103	100	81
Nonresidential buildings	937	932	884
Industrial	213	216	237
Commercial	416	419	360
Office buildings and warehouses	201	199	184
Stores, restaurants, and garages	215	220	176
Other nonresidential buildings	308	297	287
Religious	90	86	92
Educational	55	51	50
Hospital and institutional	69	68	50
Social and recreational	69	67	71
Miscellaneous	25	25	24
Farm construction	158	164	126
Public utilities	492	491	489
Telephone and telegraph	80	85	97
Other public utilities	412	406	392
All other private	20	22	26
Public construction	1,706	1,643	1,649
Residential buildings	71	70	58
Nonresidential buildings	461	454	448
Industrial	31	28	31
Educational	274	279	263
Hospital and institutional	32	31	36
Administrative and service	68	62	62
Other nonresidential buildings	56	54	56
Military facilities	123	127	141
Highways	676	630	645
Sewer and water systems	150	145	139
Sewer	86	85	81
Water	64	60	58
Public service enterprises	64	62	78
Conservation and development	125	121	117
All other public	36	34	23
CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS RECORD—Month of August (000's omitted):			
Total U. S. construction	$2,220,000	$1,883,000	$1,859,000
Private construction	1,085,000	718,000	965,000
Public construction	1,134,000	1,165,000	894,000
State and municipal	954,000	842,000	726,000
Federal	180,000	323,000	168,000
CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—REVISED SERIES—Estimated short and intermediate term credit in millions as of July 31:			
Total consumer credit	$54,687	$54,786	$53,809
Instalment credit	42,457	42,441	42,050
Automobile	17,358	17,358	17,893
Other consumer goods	10,636	10,666	10,452
Repairs and modernization loans	2,964	2,958	2,934
Personal loans	11,499	11,459	10,771
Noninstalment credit	12,230	12,345	11,759
Single payment loans	4,523	4,547	4,265
Charge accounts	4,272	4,349	4,311
Service credit	3,435	3,449	3,183
COTTON GINNING (DEPT. OF COMMERCE):			
To Aug. 16, running bales	456,869	------	381,788
DEPARTMENT STORE SALES SECOND FEDERAL RESERVE DISTRICT FEDERAL RESERVE BANK OF NEW YORK—1947-49 Average = 100—Month of July:			
Sales (average daily) unadjusted	106	136	*102
Sales (average daily) seasonally adjusted	142	142	*136
MOODY'S WEIGHTED AVERAGE YIELD—100 COMMON STOCKS—Month of August:			
Industrials (125)	2.95	3.00	3.41
Railroads (25)	4.87	5.08	5.72
Utilities (not incl. Amer. Tel. & Tel.) (24)	3.05	3.19	3.64
Banks (15)	3.03	3.19	4.00
Insurance (10)	2.19	2.35	2.87
Average (200)	3.00	3.05	3.50
RAILROADS EARNINGS CLASS I ROADS (ASSOCIATION OF AMERICAN RRs.)—Month of July:			
Total operating revenues	$754,161,042	$796,366,373	$759,245,262
Total operating expenses	606,591,637	613,588,862	628,871,236
Taxes	77,170,991	89,715,051	74,487,929
Net railway operating before charges	35,636,982	59,367,061	23,942,639
Net income after charges (estimated)	20,000,000	43,000,000	10,000,000
REAL ESTATE FINANCING IN NONFARM AREAS OF U. S. — HOME LOAN BANK BOARD—Month of June (000's omitted):			
Savings and loan associations	$1,291,747	$1,199,278	$1,167,329
Insurance companies	104,290	100,152	118,587
Banks and trust companies	459,539	444,044	415,119
Mutual savings banks	153,392	137,933	138,103
Individuals	313,302	314,119	348,135
Miscellaneous lending institutions	533,815	504,386	502,393
Total	$2,856,088	$2,699,912	$2,689,666

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

NOTE — Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

A. & E. Plastik Pak Co., Inc.
Aug. 1, 1961 ("Reg. A") 40,000 common shares (no par). **Price** — $7.50. **Proceeds** — For equipment and working capital. **Office**—652 Mateo Street, Los Angeles. **Underwriters**—Blalack & Co., Inc., San Marino, Calif.; Harbison & Henderson, Los Angeles; May & Co., Portland, Ore., and Wheeler & Cruttenden, Inc., Los Angeles.

• Abbey Automation Systems, Inc. (9/11-15)
June 6, 1961 filed 100,000 common shares. **Price** — $3. **Business**—The design, manufacture and sale of automation equipment for industry. **Proceeds**—For new facilities, sales program, demonstration laboratory and working capital. **Office**—37-05 48th Avenue, Long Island City, N. Y. **Underwriter**—John Joshua & Co., Inc., New York.

Abby Vending Manufacturing Corp.
July 26, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The manufacure of coin operated vending machines. **Proceeds**—For moving expenses, an acquisition and working capital. **Office**—79 Clifton Place, Brooklyn, N. Y. **Underwriter** — L. H. Wright & Co., Inc., 135 Broadway, New York.

★ Acratex Chemical Coatings, Inc.
Aug. 8, 1961 ("Reg. A") 99,900 common. **Price**—$3. **Business**—The manufacture of a wallcovering product. **Proceeds** — For expansion and general corporate purposes. **Office**—Easton St., Ronkonkoma, N. Y. **Underwriter**—Tyche Securities Inc., N. Y.

Acro Electronic Products Co.
July 17, 1961 filed 100,000 class A common shares. **Price** —$4. **Business**—The manufacture of transformers for electronic and electrical equipment. **Proceeds**—For relocating to and equipping a new plant, purchase of inventory, research and development, advertising, promotion and merchandising, repayment of debt and other corporate purposes. **Office**—369 Shurs Lane, Philadelphia. **Underwriter**—Roth & Co., Inc., Philadelphia.

• A-Drive Auto Leasing System, Inc. (10/2-6)
Jan. 19, 1961 filed 100,000 shares of class A stock, of which 75,000 are to be offered for public sale by the company and 25,000 shares, being outstanding stock, by the present holders thereof. **Price**—$10 per share. **Business**—The company is engaged in the business of leasing automobiles and trucks for periods of over one year. **Proceeds**—To repay loans; open new offices in Philadelphia, Pa., and New Haven, Conn.; lease and equip a large garage in New York City and lease additional trucks. **Office**—1616 Northern Boulevard, Manhasset, N. Y. **Underwriter**—Hill, Darlington & Grimm, N. Y. C. (mgr.)

• Admiral Plastics Corp. (9/25-29)
July 27, 1961 filed 340,000 common shares, of which 20,000 shares are to be offered by the company and 320,000 shares by the stockholders. **Price**—By amendment. **Business**—The manufacture of plastic houseware products. **Proceeds**—For a new warehouse, repayment of debt and other corporate purposes. **Office** — 557 Wortman Ave., Brooklyn, N. Y. **Underwriter**—Shearson, Hammill & Co., New York (managing).

Advanced Electronics Corp.
May 31, 1961 ("Reg. A") 150,000 class A shares (par 10 cents). **Price**—$2. **Business**—Designs and manufactures radio telemetry systems, frequency filters and power supplies for the missile, rocket and space programs. **Proceeds**—For research and development, equipment, repayment of loans and working capital. **Office**—2 Commercial St., Hicksville, N. Y. **Underwriter** — Edward Hindley & Co., New York City.

Advanced Investment Management Corp.
July 11, 1961 ("Reg. A") 100,000 common shares (par 25 cents). **Price**—$3. **Proceeds**—For purchase of furniture, reserves and working capital. **Office** — No. 15 Village Shopping Center, Little Rock, Ark. **Underwriter**—Affiliated Underwriters, Inc., 1321 Lincoln Ave., Little Rock.

Aero-Dynamics Corp.
Aug. 7, 1961 filed 100,000 common shares. **Price**—$5. **Business** — The importation and distribution of Italian marble and mosaic tiles. **Proceeds** — For the purchase and installation of new moulds, machinery and equipment, research and general corporate purposes. **Office**—250 Goffle Road, Hawthorne, N. J. **Underwriters**—Cambridge Securities, Inc. and Edward Lewis Co., Inc., N. Y.

• Aero Fidelity Acceptance Corp. (10/9)
July 11, 1961 ("Reg. A") 100,000 common shares (par five cents). **Price**—$3. **Proceeds**—For repayment of loans, purchase of notes and equipment. **Office** — 185 Walton Avenue, N. W., Atlanta, Ga. **Underwriter**—Best & Garey Co., Inc., Washington, D. C.

Aero Space Electronics, Inc.
July 17, 1961 ("Reg. A") 80,000 capital shares (par 10 cents). **Price**—$3. **Proceeds**—For repayment of debt and working capital. **Office**—2036 Broadway, Santa Monica, Calif. **Underwriter**—Hamilton Waters & Co., Inc., Hempstead, N. Y.

★ Aerological Research, Inc.
Aug. 29, 1961 filed 100,000 common. **Price**—$3.50. **Business**—The manufacture of electrical, electronic and mechanical equipment and instruments. **Proceeds** — For working capital. **Office**—420 Division St., Long Branch, N. J. **Underwriter**—A. D. Gilhart & Co., Inc., N. Y.

Airbalance, Inc.
July 17, 1961 ("Reg. A") 60,000 common shares (par five cents). **Price** — $5. **Office** — 2046 E. Lehigh Ave., Philadelphia. **Underwriter**—A. Sussel Co., 1033 Chestnut St., Philadelphia.

Air Master Corp. (9/25-29)
May 26, 1961 filed 200,000 shares of class A common stock, of which 50,000 shares are to be offered for public sale by the company and 150,000 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business** — The manufacture and sale of aluminum storm windows and doors, and other aluminum products. **Proceeds**—For working capital, and other corporate purposes. **Office**—20th Street, and Allegheny Avenue, Philadelphia, Pa. **Underwriter**—Francis I. du Pont & Co., New York City (managing).

Airtronics International Corp. of Florida
June 29, 1961 filed 199,000 common shares of which 110,000 shares are to be offered by the company and 89,000 shares by stockholders. **Price**—By amendment. **Business** — The manufacture of electronic, mechanical and components. **Proceeds**—For repayment of loans, expand electro-mechanical rocket and missile system parts pansion and working capital. **Office**—6900 West Road 84, Fort Lauderdale, Fla. **Underwriters** — Stein Bros. & Boyce, Baltimore & Vickers, MacPherson & Warwick, Inc. (managing). **Offering**—Expected in October.

Aksman (L. J.) & Co., Inc.
July 28, 1961 ("Reg. A") 80,000 common shares (par 10 cents). **Price**—$3. **Business**—A mechanical contractor in design and installation of heating, ventilating and air conditioning systems. **Proceeds**—For moving, purchase of machinery and equipment, inventory, repayment of loans and working capital. **Office**—1425 Utica Avenue, Brooklyn 3, N. Y. **Underwriters**—Rothenberg, Heller & Co., Inc. and Carroll Co., New York.

Alaska Honolulu Co.
July 24, 1961 filed 1,600,000 common shares and oil leases on 400,000 acres to be offered in 625 units each consisting of 640 acres and 2,560 shares. **Price**—$2,560 per unit. **Business**—The exploration and development of oil and gas properties in Alaska. **Proceeds**—For general corporate purposes. **Office**—120 S. Third St., Las Vegas, Nev. **Underwriter**—None.

Albert Voigt Industries, Inc.
Aug. 29, 1961 filed 80,000 common. **Price**—$4. **Business**—The manufacture of metal store fixtures, show cases and related items. **Proceeds**—For repayment of loans, working capital, a leasehold improvement and moving expenses. **Office**—14-20 Dunham Pl., Brooklyn, N. Y. **Underwriter**—David Barnes & Co., Inc., N. Y. C.

★ All-American Airways, Inc.
Aug. 24, 1961 ("Reg. A") 75,000 common. **Price**—$4. **Proceeds**—For the purchase of aircraft, inventory, advertising and working capital. **Office**—2 Main St., Ridgefield, Conn. **Underwriter**—Edward Lewis Co., Inc., N. Y.

All Star World Wide, Inc.
July 7, 1961 filed $250,000 of 5% convertible subordinated debentures due 1971 and 150,000 common shares. **Price**—For debentures, at par; for stock, $5. **Business**—The operation of bowling centers. **Proceeds**—For expansion and general corporate purposes. **Office** — 100 W. Tenth St., Wilmington, Del. **Underwriters**—Alessandrini & Co., Inc. and Hardy & Hardy, New York (managing).

★ Allen Organ Co.
Aug. 30, 1961 filed 140,000 class B (non-voting) common, of which 37,000 shares are to be offered by the company and 103,000 by the stockholders. **Price**—By amendment. **Business**—The manufacture of electronic organs. **Proceeds**—For repayment of a loan, redemption of outstanding preferred, working capital and expansion. **Address**—Macungie, Pa. **Underwriters**—Drexel & Co., Philadelphia, and Warren W. York & Co., Allentown, Pa. (mgrs.)

Allied Stores Corp. (10/9)
Aug. 4, 1961 filed $27,006,200 of convertible subordinated debentures due Oct. 1, 1981 to be offered for subscription by stockholders on the basis of $100 of debentures for each ten shares held. **Price**—By amendment. **Business**—The operation of department stores. **Proceeds**—For general corporate purposes. **Office**—401 Fifth Ave., N. Y. **Underwriter**—Lehman Brothers, N. Y. (mgr.)

• Alpine Geophysical Associates, Inc. (10/23-27)
July 28, 1961 filed 150,000 common shares. **Price** — By amendment. **Business** — The conducting of marine and land geophysical surveys for petroleum and mining exploration and engineering projects, and the manufacture of oceanographic and geophysical apparatus. **Proceeds**—For repayment of debt and general corporate purposes. **Office**—55 Oak St., Norwood, N. J. **Underwriter**—S. D. Fuller & Co., New York (managing).

★ Alson Mfg. Co.
Aug. 28, 1961 ("Reg. A") 75,000 common. **Price**—$4. **Proceeds**—For equipment, repayment of loans and working capital. **Office**—2690 N. E. 191st St., Miami, Fla. **Underwriter**—Albion Securities Co., Inc., N. Y.

• Amcrete Corp.
May 4, 1961 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Busi-**

Southern Belle Electrical Ind. Stock All Sold

Aetna Securities Corp. and associates have announced that their offering of 50,000 common shares of Southern Belle Electrical Industries, Inc. at $4 per share has been oversubscribed and the books closed. The offering marked the initial public sale of the company's common stock.

Net proceeds from the sale will be used by the company to pay outstanding loans; for expansion and improvement of its present properties and the acquisition of another building; and for expansion of its inventory of raw materials and finished products. The balance of the proceeds will be used for working capital.

The company of Hialeah, Fla. designs and manufactures lamps, shades and lighting fixtures for use in homes, hotels and motels, as well as commercial lighting fixtures for use in offices, stores and showrooms. The company also makes customized lamps, lighting fixtures and wall decorations constructed according to designs and specifications furnished by decorators and architects.

With Janney, Battles

PHILADELPHIA, Pa. — Janney, Battles & E. W. Clark, Inc., 1401 Walnut Street, members of the New York Stock Exchange and other leading exchanges, announce that George W. Moffitt, Jr., is now associated with their Philadelphia office as a security analyst and registered representative.

Dick & Merle-Smith Open Dallas Branch

DALLAS, Texas—Dick & Merle-Smith, members of the New York Stock exchange, have announced the opening of an office at 211 North Ervay, under the management of W. L. Jack Nelson.

Microwave Stock Issue Offered

First Investment Planning Co., Washington, D. C., is offering 120,000 common shares of Microwave Semiconductor & Instrument Inc., at $3 per share. Net proceeds, estimated at $286,800 will be used by the company for the purchase of equipment, research and development, inventory and working capital.

The company of 116-06 Myrtle Ave., Richmond Hill, N. Y., is engaged in the research, development, manufacture and sale of microwave devices and instruments. Authorized stock consists of 1,500,000 common shares, of which 499,550 will be outstanding upon completion of this sale.

Burton Schwartz Opens

Burton Schwartz is engaging in a securities business from offices at 666 Fifth Avenue, N. Y. City

ness — The sale of pre-cast and pre-stressed concrete panels for swimming pools and pumps, filters, ladders, etc. **Proceeds**—For building test pools; advertising, inventory and working capital. **Office**—102 Mamaroneck Ave., Mamaroneck, N. Y. **Underwriter**—Vincent Associates, Ltd., 217 Broadway, N. Y.

American Sports Plan, Inc.
June 29, 1961 filed 200,000 common shares. **Price**—$6. **Business**—The operation of bowling centers. **Proceeds**—For expansion. **Office**—473 Winter Street, Waltham, Mass. **Underwriter**—None.

★ American Variety Stores, Inc.
Aug. 30, 1961 filed 100,000 common. **Price**—$4.50. **Business**—The operation of retail discount variety stores. **Proceeds** — For repayment of loans, equipment, and working capital. **Office** — Cleveland at Passaic, Fort Myers, Fla. **Underwriter** — Netherlands Securities Co., Inc., N. Y. (mgr.).

Amerel Mining Co. Ltd.
July 31, 1961 filed 400,000 common shares. **Price**—50 cents. **Business**—The company is engaged in exploration, development and mining. **Proceeds**—For diamond drilling, construction, exploration and general corporate expenses. **Office**—80 Richmond St., W., Toronto. **Underwriter**—E. A. Manning, Ltd., Toronto.

Amerford International Corp.
June 28, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price**—$3.50. **Business**—International air and ocean freight forwarding. **Proceeds**—For expansion, advertising and working capital. **Office**—80 Wall St., New York. **Underwriters** — V. S. Wickett & Co., Inc., and Thomas, Williams & Lee, Inc., New York.

American Automatic Vending Corp.
Aug. 15, 1961 filed 270,000 common shares. **Price**—By amendment. **Business**—The sale of merchandise through vending machines. **Proceeds**—For the repayment of debt and other corporate purposes. **Office** — 7501 Carnegie Ave., Cleveland, O. **Underwriter** — McDonald & Co., Cleveland.

• American Data Machines, Inc. (10/16-20)
Aug. 17, 1961 filed 150,000 common shares. **Price**—$4.50. **Business**—The manufacture of data processing equipment. **Proceeds**—For repayment of loans, new products, advertising, engineering, new machine tools, working capital and general corporate purposes. **Office**—7 Commercial St., Hicksville, N. Y. **Underwriters**—Amos Treat & Co., Inc. and Golkin Bomback & Co., N. Y. C. (mgr.).

• American Electronic Laboratories, Inc. (9/18-22)
May 26, 1961 filed 10,632 shares of class A common stock to be offered for subscription by stockholders at the rate of one new share for each 10 shares held. **Price**—To be supplied by amendment. **Business**—The company is engaged in research and development in the field of electronic communication equipment. **Proceeds**—For construction, new equipment, and other corporate purposes. **Office**—121 North Seventh Street, Philadelphia. **Underwriter**—Suplee, Yeatman, Mosley Co., Inc., Philadelphia, Pa.

American Finance Co., Inc.
April 21, 1961 filed $500,000 of 6% convertible subordinated debentures due 1971; 75,000 shares of common stock, and 25,000 common stock purchase warrants to be offered for public sale in units consisting of one $200 debenture, 30 common shares and 10 warrants. **Price**—$500 per unit. **Business**—The company and its subsidiaries are primarily engaged in the automobile sale finance business. One additional subsidiary is a Maryland savings and loan association and two are automobile insurance brokers. **Proceeds**—For the retirement of debentures, and capital funds. **Office** — 1472 Broadway, New York City. **Underwriter**—Lomasney, Loving & Co., New York City. **Offering**—Expected in September.

American Heritage Publishing Co., Inc.
Aug. 18, 1961 filed 140,000 common shares, of which 75,000 shares are to be offered by the company and 65,000 shares by stockholders. **Price**—By amendment. **Business**—Magazine and book publishing. **Proceeds**—For repayment of loans and general corporate purposes. **Office**—551 Fifth Ave., New York. **Underwriter**—White, Weld & Co., New York (managing). **Offering**—Expected in late October.

American Micro Devices, Inc.
Aug. 2, 1961 filed 1,500,000 class A common shares. **Price** — $1.15. **Business**—The manufacture of electronic components. **Proceeds**—The purchase of equipment and materials, operational expenses, working capital and re-**writer**—Naftalin & Co., Inc., Minneapolis.

American Mortgage Investment Corp.
April 29, 1960 filed $1,800,000 4% 20-yr. collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing $900 of bonds and 783 shares of stock. **Price**—$1,800 per unit. **Proceeds**—To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. **Office** — 210 Center St., Little Rock, Ark. **Underwriter**—Amico, Inc.

American Packing Co.
June 29, 1961 filed 150,000 common shares. **Price**—$4.50. **Business**—The processing and sale of canned salmon. **Proceeds**—For general corporate purposes. **Office**—303 N. E. Northlake Way, Seattle. **Underwriter** — Joseph Nadler & Co., Inc., New York (managing).

American Precision Industries, Inc.
Aug. 18, 1961 filed 158,000 common shares, of which 115,000 shares are to be offered by the company and 38,000 shares by stockholders. **Price**—By amendment.

Continued on page 30

NEW ISSUE CALENDAR

September 8 (Friday)

Astronetic Research, Inc. — **Common**
(Schirmer, Atherton & Co.) $270,000
Blackman Merchandising Corp. — **Common**
(Midland Securities Co., Inc.) $775,000
Taylor-Country Estate Associates — **Interests**
(Nat Berger Associates, Inc.) $2,420,000
Universal Health, Inc. — **Common**
(Cortlandt Investing Corp.) $300,000
Western Union Telegraph Co. — **Common**
(Offering to stockholders—underwritten by Kuhn, Loeb & Co. and Lehman Brothers) 1,075,791 shares

September 11 (Monday)

Abbey Automation Systems, Inc. — **Common**
(John Joshua & Co., Inc.) $300,000
Empire Fund, Inc. — **Capital**
(A. G. Becker & Co., Inc.) 1,250,000 shares
Gilbert Youth Research, Inc. — **Common**
(McDonnell & Co.) 65,000 shares
Israel-America Hotels, Ltd. — **Common**
(Brager & Co.) $1,250,000
Lewis (Tillie) Foods, Inc. — **Common**
(Van Alstyne, Noel & Co.) 400,000 shares
Micro-Lectric, Inc. — **Common**
(Underhill Securities Corp.) $220,000
Rabin-Winters Corp. — **Common**
(H. Hentz & Co.) 180,000 shares
Rodney Metals, Inc. — **Common**
(Amos Treat & Co. Inc.) $1,400,000
Siegel (Henry I.) Co., Inc. — **Class A**
(Shearson, Hammill & Co.) 270,000 shares
T. V. Development Corp. — **Common**
(Kesselman & Co. and Brand, Grumet & Seigel Inc.) $500,000
Telephones, Inc. — **Common**
(Hayden, Stone & Co. and McCormick & Co.) 250,000 shares
Thermo-Chem Corp. — **Common**
(Best & Garey Co., Inc.) $585,000
Thoroughbred Enterprises, Inc. — **Common**
(Sandkuhl & Co. Inc.) $340,000
Transvision Electronics, Inc. — **Common**
(Adams & Peck) 140,000 Shares
Trinity Funding Corp. — **Common**
(Trinity Securities Corp.) $1,500,000
Waldbaum, Inc. — **Common**
(Shields & Co.) 183,150 shares

September 12 (Tuesday)

Amerline Corp. — **Common**
(Dean Witter & Co.) 150,000 shares
Mountain Fuel Supply Co. — **Debentures**
(First Boston Corp.) $18,000,000
Strouse, Inc. — **Debentures**
(H. A. Riecke & Co.) $600,000
Vacu-Dry Co. — **Common**
(Wilson, Johnson & Higgins) 400,000 shares

September 13 (Wednesday)

Gordon (I.) Realty Corp. — **Common**
(George D. B. Bonbright & Co.) $1,600,000
Liverpool Industries, Inc. — **Common**
(Arden Perin & Co., Inc.) $304,950
National Periodical Publications, Inc. — **Common**
(Shearson, Hammill & Co. and Prescott, Shepard & Co., Inc.) 500,000 shares
Terry Industries, Inc. — **Common**
(Greenfield & Co., Inc.) 1,728,337 shares
XTRA, Inc. — **Common**
(Putnam & Co.) 182,570 shares

September 14 (Thursday)

Royal School Laboratories, Inc. — **Common**
(B. N. Rubin & Co., Inc.) $850,000
Texas Capital Corp. — **Common**
(Dempsey-Tegeler & Co.) 1,000,000 shares

September 15 (Friday)

Charles Jacquin et Cie, Inc. — **Common**
(Stroud & Co., Inc.) 140,000 shares
Intercontinental Dynamics Corp. — **Common**
(M. H. Woodhill Inc.) $300,000
Rudd-Melikian, Inc. — **Common**
(Stearns & Co.) $1,300,000
Universal Moulded Fiber Glass Corp. — **Common**
(A. G. Edwards & Sons) $2,750,000
Universal Surgical Supply Inc. — **Common**
(Dempsey-Tegeler & Co., Inc.) 200,000 shares

September 18 (Monday)

American Electronic Laboratories, Inc. — **Common**
(Offering to stockholders—underwritten by Suplee, Yeatman, Mosley Co. Inc.) 10.632 shares
Commonwealth Theatres of Puerto Rico, Inc. — **Com.**
(J. R. Williston & Beane) $1,000,000
Cromwell Business Machines, Inc. — **Common**
(Pacific Coast Securities Co.) $300,000
Custom Shell Homes, Inc. — **Common**
(T. J. McDonald & Co.) $300,000
Douglas Microwave Co., Inc. — **Common**
(J. R. Williston & Beane and Hill, Darlington & Grimm) 100.000 shares
Drug & Food Capital Corp. — **Common**
(A. C. Allyn & Co. and Westheimer & Co.) $5,000,000
Electro-Miniatures Corp. — **Common**
(Burnham & Co.) $300,000
Empire Life Insurance Co. of America — **Capital**
(Consolidated Securities, Inc.) $300,000
Fairfield Controls, Inc. — **Common**
(First Philadelphia Corp. and Lieberbaum & Co.) $150,000
First Mortgage Fund — **Ben. Int.**
(Shearson, Hammill & Co.) $15,000,000
General Plastics Corp. — **Common**
(Pacific Coast Securities Co. and Sellgren, Miller & Co.) $300,000
Growth Properties — **Common**
(Pacific Coast Securities Co.) 100,000 shares
Harn Corp. — **Common**
(J. R. Williston and Beane) 150,000 shares
Hilco Homes Corp. — **Units**
(Rambo, Close & Kerner, Inc.) 6,500 units
Houston Corp. — **Common**
(Offering to stockholders—no underwriting) 583,334 shares
Industrial Electronic Hardware Corp. — **Debentures**
(S. D. Fuller & Co.) $1,000,000
Industrial Electronic Hardware Corp. — **Common**
(S. D. Fuller & Co.) 25,000 shares
Industrial Gauge & Instrument Co., Inc. — **Common**
(R. F. Dowd & Co. Inc.) $225,000
Instrument Systems Corp. — **Common**
(Milton D. Blauner & Co.; M. L. Lee & Co., Inc. and Lieberbaum & Co.) $750,000
Lincoln Fund, Inc. — **Common**
(Horizon Management Corp.) 951,799 shares
Lowe's Companies, Inc. — **Common**
(G. H. Walker & Co., Inc.) 388,250 shares
M P I Glass Fibers, Inc. — **Common**
(Atlantic Equities Co.) $300,000
Mairs & Power Income Fund, Inc. — **Common**
(No underwriting) 40.000 shares
Missouri Fidelity Life Insurance Co. — **Common**
(A. C. Allyn & Co.) 200,000 shares
NAC Charge Plan & Northern Acceptance Corp. — **Class A**
(Sade & Co.) 33.334 shares
National Cleaning Contractors, Inc. — **Common**
(Bear, Stearns & Co.) 200,000 shares
NuTone, Inc. — **Common**
(Kidder, Peabody & Co.) 375,000 shares
Olson Co. of Sarasota, Inc. — **Common**
(Jay Morton & Co., Inc.) $295,000
Pargas, Inc. — **Common**
(Kidder, Peabody & Co., Inc.) 150,000 shares
Parish (Amos) & Co., Inc. — **Common**
(The James Co.) 208,000 shares
Patent Resources, Inc. — **Common**
(Darius Inc.; N. A. Hart & Co. and E. J. Roberts & Co. Inc.) 150,000 shares
Polytronic Research, Inc. — **Common**
(Jones, Kreeger & Co. and Balogh & Co.) 193,750 shares
Reeves Broadcasting & Development Corp. — **Debentures**
(Laird & Co. Corp.) $2,500,000
Second Financial, Inc. — **Common**
(Globus Inc.) $300,000
Spectron, Inc. — **Common**
(Hampstead Investing Corp.) $381,875
Supronics Corp. — **Common**
(Amos Treat & Co. Inc.; Standard Securities Corp. and Bruno-Lenchner Inc.) 90,000 shares
Tastee Freez Industries, Inc. — **Common**
(Bear, Stearns & Co.) 350,000 shares
Techno-Vending Corp. — **Common**
(International Services Corp.) $300,000
TelePrompTer Corp. — **Debentures**
(Bear, Stearns & Co.) $5,000,000
Triangle Instrument Co. — **Common**
(Armstrong & Co. Inc.) $300,000
Tri Metal Works, Inc. — **Common**
(Offering to stockholders—underwritten by R. L. Scheinman & Co. and Blaha & Co., Inc.) 68,000 shares
United Investors Corp. — **Class A**
(No underwritting) $761,090
Wainrite Stores, Inc. — **Common**
(Omega Securities Corp.) $300,000

September 19 (Tuesday)

Dadan, Inc. — **Common**
(McDonald, Anderson, Peterson & Co., Inc.) $184,000

September 20 (Wednesday)

Consolidated Production Corp. — **Common**
(Shearson, Hammill & Co.) 200,000 shares
Control Data Corp. — **Common**
(Dean Witter & Co.) 300,000 shares
Flato Realty Fund — **Shares**
(Flato, Bean & Co.) $20,000,000
Fotochrome Inc. — **Debentures**
(Shearson, Hammill & Co. and Emanuel, Deetjen & Co.) $3,500,000
Fotochrome Inc. — **Common**
(Shearson, Hammill & Co. and Emanuel, Deetjen & Co.) 262,500 shares
General Forms, Inc. — **Common**
(Equity Securities Co.) $300,000
Greene (M. J.) Co. — **Common**
(Hess, Grant & Remington Inc.) $300,000
Income Planning Corp. — **Units**
(Espy & Wanderer Inc.) $200,000
Pacific Northwest Bell Telephone Co. — **Common**
(Offering to stockholders—no underwriting) $279,351,840
Washington Engineering Services Co., Inc. — **Common**
(No underwriting) 375,000 shares

September 25 (Monday)

Admiral Plastics Corp. — **Common**
(Shearson, Hammill & Co.) 340,000 shares
Air Master Corp. — **Common**
(Francis I. du Pont & Co.) 200,000 shares
Bargain Town, U. S. A., Inc. — **Common**
(Schweickart & Co.) $1,800,000
Caressa, Inc. — **Common**
(Shearson, Hammill & Co.) 150,000 shares
Cellomatic Battery Corp. — **Common**
(Armstrong & Co. Inc.) $250,000
Cle-Ware Industries, Inc. — **Common**
(Westheimer & Co.) 195,000 shares
Continental Leasing Corp. — **Common**
(H. B. Crandall Co. and Cambridge Securities, Inc.) $300,000
Faradyne Electronics Corp. — **Debentures**
(S. D. Fuller & Co.) $2,000,000
General Spray Service, Inc. — **Units**
(Ross, Lyon & Co., Inc.) $315,000
Hexagon Laboratories, Inc. — **Units**
(Stearns & Co.) $900,000
Holly Stores, Inc. — **Common**
(Allen & Co.) 175,000 shares
Ihnen (Edward H.) & Son, Inc. — **Common**
(Amos Treat & Co. Inc.) $375,000
Lewis & Clark Marina, Inc. — **Common**
(Apache Corp.) $300,000
MacLevy Associates, Inc. — **Common**
(Continental Bond & Share Corp.) $300,000
Marks Polarized Corp. — **Common**
(Ross, Lyon & Co., Inc. and Globus, Inc.) 95,000 shares
Micro-Precision Corp. — **Common**
(Manufacturers Securities Corp.) $300,000
Middle Atlantic Credit Corp. — **Units**
(R. L. Scheinman & Co. and A. W. Benkert & Co., Inc.) $300,000
Middle Atlantic Investment Co. — **Common**
(Best & Garey Co., Inc.) $700,000
Midwest Technical Development Corp. — **Common**
(Lee Higginson Corp. and Piper, Jaffray & Hopwood) 800,000 shares
Movie Star, Inc. — **Class A**
(Milton D. Blauner & Co., Inc.) 200,000 shares
National Semiconductor Corp. — **Capital Stock**
(Lee Higginson Corp.) 75,000 shares

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Photo-Animation, Inc. .... **Common**
(First Philadelphia Corp.) $187,500

Plasticon Corp. .... **Common**
(No underwriting) $1,996,998

Publishers Vending Services, Inc. .... **Units**
(D. H. Blair & Co.) 6,000 units

Reher Simmons Research Inc. .... **Capital**
(McLaughlin, Kaufmann & Co.) $900,000

Rocky Mountain Natural Gas Co., Inc. .... **Units**
(Merrill Lynch, Pierce, Fenner & Smith Inc.) 75,000 units

Thriftway Foods, Inc. .... **Common**
(Kidder, Peabody & Co.) 140,000 shares

United Scientific Laboratories, Inc. .... **Common**
(Continental Bond & Share Corp.) $720,000

U. S. Plastic & Chemical Corp. .... **Common**
(Adams & Peck) 125,000 shares

Universal Publishing & Distributing Corp. .... **Units**
(Allen & Co.) $750,000

Valley Title & Trust Co. .... **Common**
(Louis R. Dreyling & Co.) $600,000

Vic Tanny Enterprises, Inc. .... **Common**
(S. D. Fuller & Co.) 320,000 shares

Voron Electronics Corp. .... **Class A**
(John Josnua & Co., Inc. and Reuben Rose & Co.) $300,000

September 26 (Tuesday)

Pacific Gas & Electric Co. .... **Bonds**
(Bids to be received) $60,000,000

September 28 (Thursday)

Anodyne, Inc. .... **Units**
(Ross, Lyon & Co., Inc. and Globus, Inc.) $625,000

September 29 (Friday)

Mite Corp. .... **Capital**
(Kidder, Peabody & Co. and Charles W. Scranton & Co.) 325,000 shares

Mon-Art, Inc. .... **Preferred**
(Davis, Rowady & Nichols Inc.) $300,000

October 2 (Monday)

A-Drive Auto Leasing System, Inc. .... **Class A**
(Hill, Darlington & Grimm) $1,000,000

Cosnat Record Distributing Corp. .... **Common**
(Amos Treat & Co.) 150,000 shares

Creative Playthings, Inc. .... **Common**
(A. G. Becker & Co., Inc. and Semple, Jacobs & Co., Inc.) 100,000 shares

Dressen-Barnes Electronics Corp. .... **Capital**
(Lester, Ryons & Co.) 100,000 shares

First National Realty & Construction Corp. .... **Debs.**
(H. Hentz & Co.) $3,000,000

Hannett Industries, Inc. .... **Common**
(Albion Securities Co., Inc.) $300,000

Hogan Faximile Corp. .... **Common**
(William R. Staats & Co.) 300,000 shares

Minichrome, Inc. .... **Common**
(Continental Securities Inc.) $172,500

Nuclear Corp. of America .... **Capital**
(Bear, Stearns & Co.) 536,280 shares

Nuclear Corp. of America .... **Debentures**
(Bear, Stearns & Co.) $2,087,800

Old Empire, Inc. .... **Debentures**
(Laird, Bissell & Meeds) $800,000

Panoramic Electronics, Inc. .... **Common**
(Hayden, Stone & Co.) 120,000 shares

Pioneer Astro Industries, Inc. .... **Common**
(Francis I. du Pont & Co.) 150,000 shares

Public Service Co. of Colorado .... **Bonds**
(Bids 11:30 a. m. EDST) $30,000,000

Riverview ASC, Inc. .... **Common**
(Albion Securities Co., Inc.) $300,000

Sav-Mor Oil Corp. .... **Common**
(Armstrong & Co. Inc.) $230,000

Semicon, Inc. .... **Common**
(S. D. Fuller & Co.) 125,000 shares

Shasta Minerals & Chemical Co. .... **Common**
(No underwriting) $1,250,000

Southern Realty & Utilities Corp. .... **Units**
(Hirsch & Co. and Lee Higginson Corp.) 6,280 units

Star Industries, Inc. .... **Class A**
(H. Hentz & Co.) 415,576 shares

Sterling Electronics, Inc. .... **Common**
(S. D. Fuller & Co.) 125,200 shares

Technifoam Corp. .... **Common**
(Stearns & Co.) $880,000

October 3 (Tuesday)

Gulf States Utilities Co. .... **Debentures**
(Bids 11 a. m.) $15,000,000

Northern Indiana Public Service Co. .... **Debentures**
(Offering to stockholders—Bids 11 a. m. CDST) $20,253,300

October 9 (Monday)

Aero Fidelity Acceptance Corp. .... **Common**
(Best & Garey Co., Inc.) $300,000

Allied Stores Corp. .... **Debentures**
(Offering to stockholders—underwritten by Lehman Bros.) $27,006,200

Longs Drug Stores, Inc. .... **Common**
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) 190,000 shares

October 10 (Tuesday)

Kansas Power & Light Co. .... **Debentures**
(Bids to be received) $13,000,000

Southwestern Research & Development Co. .... **Com.**
(Wilson, Johnson & Higgins) $6,000,000

October 11 (Wednesday)

Brinktun, Inc. .... **Common**
(McDonald, Anderson, Peterson & Co., Inc.) $299,250

October 13 (Friday)

Columbia Research Group .... **Preferred**
(No underwriting) $5,000,000

October 16 (Monday)

American Data Machines, Inc. .... **Common**
(Amos Treat & Co., Inc. and Golkin, Bomback & Co.) $675,000

Dunlap & Associates, Inc. .... **Common**
(Dominick & Dominick) 75,000 shares

Electra-Tronics, Inc. .... **Common**
(Jay Morton & Co., Inc.) $180,000

First Western Financial Corp. .... **Common**
(A. C. Allyn & Co.) 450,000 shares

Keller Corp. .... **Debentures**
(Casper Rogers & Co., Inc.) $1,200,000

Magazines for Industry, Inc. .... **Common**
(S. D. Fuller & Co.) 135,000 shares

Marshall Industries .... **Common**
(Offering to stockholders—underwritten by William R. Staats & Co. and Shearson, Hammill & Co.) 131,305 shares

Murray Magnetics Corp. .... **Common**
(Amos Treat & Co., Inc.) $900,000

Pavelle Corp. .... **Common**
(Bear, Stearns & Co.) 200,000 shares

Precision Microwave Corp. .... **Common**
(Peter Morgan & Co.) $1,650,000

Ro Ko, Inc. .... **Common**
(Midland Securities Co., Inc. and George K. Baum & Co.) $600,000

October 17 (Tuesday)

Public Service Electric & Gas Co. .... **Debentures**
(Bids 11 a.m. EDST) $50,000,000

October 18 (Wednesday)

Dynamic Toy, Inc. .... **Common**
(Hancock Securities Corp.) $243,000

Georgia Power Co. .... **Preferred**
(Bids 11 a. m. EDST) $7,000,000

Georgia Power Co. .... **Bonds**
(Bids noon EDST) $10,000,000

October 19 (Thursday)

Union Rock & Materials Corp. .... **Common**
(William R. Staats & Co.) 160,000 shares

October 23 (Monday)

Alpine Geophysical Associates, Inc. .... **Common**
(S. D. Fuller & Co.) 150,000 shares

Associated Products, Inc. .... **Common**
(Allen & Co. and A. C. Allyn & Co.) $3,103,000

Executive House, Inc. .... **Units**
(Bear, Stearns & Co. and Straus, Blosser & McDowell Co.) 200,000 units

Guy's Foods, Inc. .... **Common**
(Allen & Co.) $970,000

Handschy Chemical Co. .... **Common**
(Blunt Ellis & Simmons) 150,000 shares

Transcontinental Investing Corp. .... **Debentures**
(Lee Higginson Corp.) $10,000,000

Wonderbowl, Inc. .... **Common**
(Standard Securities Corp.) $300,000

October 25 (Wednesday)

Natpac Inc. .... **Common**
(William, David & Motti, Inc.) $475,000

New England Power Co. .... **Bonds**
(Bids to be received) $20,000,000

Pickwick International, Inc. .... **Common**
(William, David & Motti, Inc.) $300,000

November 2 (Thursday)

Kent Dry Cleaners, Inc. .... **Common**
(Arnold Malkan & Co., Inc.) $825,000

November 14 (Tuesday)

Rochester Gas & Electric Corp. .... **Bonds**
(Bids 11 a. m. EST) $15,000,000

November 15 (Wednesday)

Pacific Northwest Bell Telephone Co. .... **Debentures**
(Bids to be received) $50,000,000

November 21 (Tuesday)

Consolidated Edison Co. of New York, Inc. .... **Bonds**
(Bids 11 a. m. EDT) $50,000,000

December 5 (Tuesday)

Virginia Electric & Power Co. .... **Bonds**
(Bids to be received) $15,000,000

March 5, 1962 (Monday)

West Penn Power Co. .... **Bonds**
(Bids to be received) $25,000,000

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Business—The machining and fabrication of components and assemblies from steel, aluminum and certain alloys and other metals. **Proceeds**—For a new plant and equipment, research and development, repayment of debt and working capital. **Office**—3901 Union Rd., Buffalo. **Underwriter**—Eastman Dillon, Union Securities & Co., New York (managing).

American Realty Trust
July 25, 1961 filed 500,000 shares of beneficial interests. **Price**—$10. **Business**—A real estate investment company. **Office**—608 Thirteenth St., N. W., Washington, D. C. **Underwriter**—Stifel, Nicolaus & Co., Inc., St. Louis.

American Recreation Centers, Inc.
June 26, 1961 filed $1,250,000 of series A convertible subordinated debentures due 1973. **Price**—By amendment. **Business**—The operation of seven bowling centers. **Proceeds**—For repayment of loans, working capital and general corporate purposes. **Office** — 1721 Eastern Ave., Sacramento, Calif. **Underwriter**—York & Co., San Francisco (managing).

American Self Service Stores, Inc.
Aug. 11, 1961 filed 100,000 common shares, of which 50,000 shares are to be offered by the company and 50,000 shares by stockholders. **Price**—By amendment. **Business**—The operation of self-service shoe stores. **Proceeds**—For repayment of loans and expansion. **Office**—1908 Washington Avenue, St. Louis. **Underwriter**—Scherck, Richter Co., St. Louis.

American Technical Machinery Corp.
Aug. 29, 1961 filed 95,000 common, of which 65,000 are to be offered by the company and 30,000 by stockholders. **Price** — By amendment. **Business** — The manufacture of machinery for fabrication of twisted wire brushes. **Proceeds**—For equipment, repayment of loans and working capital. **Office**—29-31 Elm Ave., Mt. Vernon, N. Y. **Underwriter**—M. L. Lee & Co., Inc., N. Y. C. (mgr.).

● **Amerline Corp. (9/12)**
July 3, 1961 filed 150,000 outstanding class A common shares. **Price**—By amendment. **Business**—The manufacture of components and products for sale to manufacturers of magnetic tape, electronic computers, data processing machines, etc. **Proceeds**—For selling stockholders. **Office**—2727 W. Chicago Ave., Chicago. **Underwriter**—Dean Witter & Co., San Francisco (managing).

Amphicar Corp. of America
June 15, 1961 filed 100,000 common shares. **Price**—$5. **Business**—The manufacture of amphibious automobiles. **Proceeds**—To establish a parts depot in Newark, N. J., set up sales and service organizations, and for working capital and general corporate purposes. **Office**—660 Madison Ave., New York. **Underwriter**—J. J. Krieger & Co., New York.

Anderson New England Capital Corp.
July 21, 1961 filed 400,000 common shares. **Price** — By amendment. **Business** — A small business investment company. **Proceeds**—For investment. **Office**—150 Causeway Street, Boston. **Underwriter**—Putnam & Co., Hartford, Conn. (managing).

Animal Insurance Co. of America
June 29, 1961 filed 40,000 common shares. **Price**—$15.50. **Business** — The insuring of animals, primarily race horses, trotters and pacers. **Proceeds**—For expansion and general corporate purposes. **Office**—92 Liberty St., New York. **Underwriter**—Bernard M. Kahn & Co., Inc., New York (managing).

Anodyne, Inc. (9/28)
June 20, 1961 filed $625,000 of 5% convertible subordinated debentures, 156,250 common shares reserved for issuance on conversion of the debentures and 5-year warrants to purchase 125,000 common shares to be offered in 6,250 units, each consisting of $100 of debentures and warrants to purchase 20 shares. The units will be offered for subscription by common stockholders on the basis of one unit for each 100 common shares held. **Price** — $100 per unit. **Proceeds** — For expansion and working capital. **Office**—1270 N. W. 165th St., North Miami Beach, Fla. **Underwriters**—Ross, Lyon & Co., Inc., and Globus, Inc., New York.

● **Ansul Chemical Co.**
July 24, 1961 ("Reg. A") 12,000 common shares (par $1). **Price**—By amendment. **Proceeds**—For working capital. **Address**—Marinette, Wis. **Underwriter**—Paine, Webber, Jackson & Curtis, Milwaukee.

● **Apache Realty Corp.**
March 31, 1961 filed 1,000 units in the First Apache Realty Program. **Price**—$5,000 per unit. **Business**—The Program plans to engage in the real estate business, with emphasis on the acquisition, development and operation of shopping centers, office buildings and industrial properties. **Proceeds** — For investment. **Office** — 523 Marquette Ave., Minneapolis, Minn. **Underwriter**—Blunt Ellis & Simmons, Chicago (managing).

★ **Apex Thermoplastics, Inc.**
Aug. 29, 1961 filed 150,000 common. **Price**—$2.40. **Business**—The manufacture of thermoplastic compounds for resale to other manufacturers. **Proceeds**—For equipment, sales and advertising and working capital. **Office**—395 Smith St., Brooklyn, N. Y. **Underwriter**—Continental Bond & Shares Corp., Maplewood, N. J.

Aqua-Lectric, Inc.
June 19, 1961 filed 1,000,000 common shares. **Price**—$1.15. **Business**—The marketing of an electric hot water heating system. **Proceeds**—For inventory, salaries, advertising and promotion, and working capital. **Office**—1608 First National Bank Building, Minneapolis. **Underwriter**—M. H. Bishop & Co., Minneapolis. **Offering**—Expected in late September.

Architectural Marble Co.
Aug. 28, 1961 filed 100,000 common. **Price**—$3.50. **Business**—The cutting, designing, polishing and installing of marble products. **Proceeds**—For plant expansion, inventory and working capital. **Office**—4425 N. E. Sixth Terrace, Oakland Park, Ft. Lauderdale, Fla. **Underwriter**—J. J. Bruno & Co., Inc., Pittsburgh.

Arlan's Dept. Stores, Inc.
July 5, 1961 filed 300,000 common shares of which 60,000 shares are to be offered by the company and 240,000 shares by the stockholders. **Price**—By amendment. **Business**—The operation of 12 self-service discount stores. **Proceeds**—For working capital and expansion. **Office**—350 Fifth Ave., New York. **Underwriter**—Eastman Dillon, Union Securities & Co., New York (managing).

Armour & Co.
Aug. 3, 1961 filed $32,500,000 of convertible subordinated debentures due Sept. 1, 1983 being offered for subscription by stockholders of record Aug. 24 on the basis of $100 of debentures for each 16 common held of record Aug. 24 with rights to expire Sept. 12. **Price**—At par. **Business**—Meat packing. **Proceeds**—For plant expansion and general corporate purposes. **Office**—401 N. Wabash Ave., Chicago. **Underwriter**—Wertheim & Co., N.Y. (mgr.)

● **Associated Products, Inc. (10/23-27)**
Aug. 25, 1961 filed 359,000 common, of which 175,000 are to be offered by the company and 184,000 by stock-

holders. **Price**—$17. **Business**—The manufacture of dog and cat food, cosmetics, drug items and toiletries. **Proceeds**—For repayment of loans and working capital. **Office**—445 Park Ave., N. Y. C. **Underwriters**—Allen & Co., N. Y. C. and A. C. Allyn & Co., Chicago (co-mgrs.).

Astrodata, Inc.
Aug. 28, 1961 filed 825,000 shares of capital stock, of which 200,000 will be offered for public sale and 625,000 will be offered for subscription by stockholders of Epsco, Inc., parent, on the basis of one new share for each Epsco share held. **Price**—By amendment. **Business**—The manufacture of electronic data handling equipment, range timing devices and standard electronic products. **Proceeds**—For repayment of loans and working capital. **Office** — 240 E. Palais Rd., Anaheim, Calif. **Underwriters**—Granbery, Marache & Co., N. Y. C. and William R. Staats & Co., Los Angeles.

● **Astronetic Research, Inc. (9/8)**
July 11, 1961 ("Reg. A") 54,000 class A common shares (par $1). **Price** — $5. **Proceeds** — For purchase and installation of equipment, and working capital. **Office**—45 Spring Street, Nashua, N. H. **Underwriter** — Schirmer, Atherton & Co., Boston, Mass.

● **Atlantic Capital Corp.**
Aug. 29, 1961 filed 500,000 common. **Price**—$12.50. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office**—744 Broad St., Newark, N. J. **Underwriter**—Paine, Webber, Jackson & Curtis, N. Y. C. **Offering**—Expected in late October.

★ **Atlantic Improvement Corp.**
Aug. 30, 1961 filed 150,000 common. **Price**—By amendment. **Business**—The development of residential communities. **Proceeds**—Repayment of a loan and construction, general corporate purposes. **Office**—521 Fifth Ave., N. Y. **Underwriters**—Bear, Stearns & Co., and Finkle & Co., N. Y. (mgrs.).

★ **Atmospheric Controls, Inc.**
Aug. 22, 1961 ("Reg. A") 40,000 common. **Price**—$3.50. **Proceeds** — For repayment of loans, acquisition and working capital. **Office**—715 N. Fayette St., Alexandria, Va. **Underwriters**—First Investment Planning Co. and Jones, Kreeger & Co., Washington, D. C.

Atmotron, Inc.
July 27, 1961 ("Reg. A") 150,000 common shares (par 10 cents). **Price**—$1.15. **Proceeds**—For general corporate purposes. **Office**—5209 Hanson Court, Minneapolis. **Underwriter**—J. P. Penn & Co., Inc., Minneapolis.

● **Authenticolor Inc.**
Aug. 29, 1961 filed 148,200 common, of which 136,800 are to be offered by the company and 11,400 by stockholders. **Price**—$3.25. **Business**—The furnishing of photographic service for the professional market. **Proceeds**—For working capital and repayment of loans. **Office**—525 Lexington Ave., N. Y. C. **Underwriter** — General Economics Corp., N. Y. C.

★ **Automata International, Inc.**
Aug. 22, 1961 ("Reg. A") 300,000 common. **Price** — $1. **Proceeds**—For tooling, equipment and working capital. **Office** — 241 S. Robertson Blvd., Beverly Hills, Calif. **Underwriter**—Pacific Coast Securities Co., San Fran.

Automated Building Components, Inc.
July 28, 1961 filed 100,000 common shares. **Price** — By amendment. **Business**—The manufacture of metal conductor plates used in the prefabrication of wooden roof trusses and the manufacture of jigs and presses from which the plates are made. **Proceeds**—For repayment of loans, expansion and working capital. **Office**—7525 N. W. 37th Avenue, Miami. **Underwriters** — Winslow, Cohu & Stetson and Laird, Bissell & Meeds, N.Y.C. (mgr.)

Automated Gift Plan, Inc.
June 12, 1961 ("Reg. A") 100,000 common shares (par 10c). **Price**—$3. **Business**—The manufacture and sale of "Gift Bookards" designed to provide simplified gift giving for business and industry. **Proceeds**—For advertising, sales promotion, repayment of loans, working capital and the establishment of national dealerships. **Office**—80 Park Ave., New York. **Underwriter**—J. Laurence & Co., Inc., New York.

Automated Prints, Inc.
July 24, 1961 ("Reg. A") 85,000 common shares (par 10 cents). **Price**—$3.50. **Business**—The silk screen printing of designs on textile fabrics. **Proceeds**—For equipment, a new plant, repayment of debt and working capital. **Office**—201 S. Hoskins Rd., Charlotte, N. C. **Underwriter** —Street & Co., Inc., New York.

Automatic Data Processing, Inc.
July 19, 1961 filed 100,000 common shares, of which 50,000 shares are to be offered by the company and 50,000 shares by stockholders. **Price**—$3. **Business**—Electronic data processing. **Proceeds**—For construction and working capital. **Office**—92 Highway 46, East Paterson, N. J. **Underwriter**—Golkin, Gomback & Co., N. Y. (mgr.)

Avemco Finance Corp.
Aug. 15, 1961 filed 300,000 common shares. **Price**—By amendment. **Business**—The retail financing of time sales to consumers and the financing of dealer sales of aircraft and related equipment. **Proceeds**—For the repayment of debt. **Office**—8645 Colesville, Rd., Silver Spring, Md. **Underwriters**—Sterling, Grace & Co., New York and Rouse, Brewer, Becker & Bryant, Inc., Washington, D. C.

Babcock Electronics Corp.
Aug. 11, 1961 filed 300,000 capital shares, of which 50,000 shares are to be offered by the company and 250,000 shares by stockholders. **Price**—By amendment. **Business** —The manufacture of electronic units for remote control of aircraft. **Proceeds** — For repayment of loans, working capital and general corporate purposes. **Office** —1640 Monrovia Avenue, Costa Mesa, Calif. **Underwriters**—Blyth & Co., Inc., New York and Schwabacher & Co., San Francisco (managing).

Bankers Dispatch Corp.
July 20, 1961 filed 100,000 outstanding common shares. **Price**—By amendment. **Business**—The transportation of commercial paper, documents and non-negotiable instruments for banks. **Proceeds**—For the selling stockholder. **Office**—4652 S. Kedzie Avenue, Chicago. **Underwriter**—E. F. Hutton & Co., Inc., New York.

Bargain Town, U. S. A., Inc. (9/25)
July 27, 1961 filed 300,000 common shares, of which 200,000 shares are to be offered by the company and 100,000 shares by the stockholders. **Price**—$6. **Business**—The operation of discount department stores. **Proceeds**—For the repayment of debt, and working capital. **Office** —Rockaway Turnpike, North Lawrence, L. I., N. Y. **Underwriter**—Schweickart & Co., New York (managing).

★ **Barry-Martin Pharmaceuticals, Inc.**
Aug. 25, 1961 ("Reg. A") 150,000 class A common. **Price** —$2. **Proceeds**—For packaging, advertising, repayment of loans and working capital. **Office** — 4621 Ponce de Leon Blvd., Coral Gables, Fla. **Underwriter** — Edward Hindley & Co., N. Y. C.

Beam-Matic Hospital Supply, Inc.
July 21, 1961 filed 100,000 common shares. **Price**—$3. **Business**—The manufacture of hospital equipment and supplies. **Proceeds**—For expansion of plant facilities, purchase of equipment, expansion of sales program, development of new products and working capital. **Office** —25-11 49th Street, Long Island City, N. Y. **Underwriter** —First Weber Securities Corp., New York.

★ **Bell Television, Inc.**
Aug. 29, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—The manufacture of television antenna, music and sound equipment and closed circuit television systems. **Proceeds**—For an acquisition, expansion and inventory. **Office**—552 W. 53rd St., New York 19, N. Y. **Underwriter**—Netherlands Securities Co., N. Y.

★ **Bennett (Floyd) Stores, Inc.**
Aug. 30, 1961 filed 100,000 common. **Price**—By amendment. **Business**—The operation of discount department stores. **Proceeds**—For repayment of loans and working capital. **Office**—300 W. Sunrise Highway, Valley Stream, N. Y. **Underwriters**—Goodkind, Neufeld, Jordon Co., Inc. and Richter & Co., N. Y. (mgrs.).

Bin-Dicator Co.
Aug. 25, 1961 filed 160,932 common. **Price**—By amendment. **Business**—The manufacture of automatic control devices for handling bulk granular or pulverized materials. **Proceeds**—For the selling stockholders. **Office**—17190 Denver, Detroit. **Underwriter**—Smith, Hague & Co., Detroit.

Black & Decker Manufacturing Corp.
Aug. 11, 1961 filed 120,000 outstanding common shares. **Price**—By amendment. **Business**—The manufacture of power tools. **Proceeds**—For the selling stockholder. **Office**—Towson, Md. **Underwriter**—Eastman Dillon, Union Securities & Co., New York (managing).

● **Blackman Merchandising Corp. (9/8)**
June 8, 1961 filed 77,500 class A common shares. **Price** —$10. **Business** — The wholesale distribution of soft goods lines and artificial flowers. **Proceeds** — For expansion; inventory and working capital. **Office**—1401 Fairfax Trafficway, Kansas City, Kan. **Underwriter**—Midland Securities Co., Inc., Kansas City, Mo.

Bloch Brothers Tobacco Co.
July 3, 1961 ("Reg. A") 4,000 common shares (par $12.50). **Price**—By amendment. **Proceeds**—For the selling stockholders. **Office**—4000 Water St., Wheeling, W. Va. **Underwriter**—Fulton, Reid & Co., Inc., Cleveland.

Bloomfield Building Industries, Inc.
June 29, 1961 filed 300,000 class A common shares. **Price** —$5. **Proceeds**—For advances to a subsidiary, purchase of additional land and the construction of buildings thereon. **Office** — 3355 Poplar Ave., Memphis, Tenn. **Underwriter**—Lieberbaum & Co., New York.

Boulder Lake Corp.
June 28, 1961 filed 315,000 common shares. **Price**—$2.50. **Business**—The acquisition, exploration and development of mineral properties. **Proceeds**—For construction of roads and buildings, purchase of machinery and exploration of properties. **Address**—P. O. Box 214, Twin Bridges, Mont. **Underwriter**—Wilson, Ehli, Demos, Bailey & Co., Billings, Mont.

Bowl-Tronics, Inc.
Aug. 16, 1961 ("Reg. A") 100,000 common shares. **Price** —$2.30. **Business**—The manufacture of automatic electronic scorecards for bowling alleys and other electronic entertainment devices. **Proceeds**—For working capital and expansion. **Office**—1319 F St., N. W., Washington, D. C. **Underwriters**—Fund Securities, Inc., Staten Island, N. Y., and Burry, de Sibour & Co., Washington, D. C.

Bowling Internazionale, Ltd.
June 30, 1961 filed 200,000 common shares. **Price**—$5. **Proceeds**—For the construction or acquisition of a chain of bowling centers principally in Italy, and for expansion and working capital. **Office**—80 Wall St., New York. **Underwriters**—V. S. Wickett & Co., and Thomas, William, & Lee, Inc., New York City.

Bradley Industries, Inc.
July 25, 1961 filed 70,000 common shares (par $1). **Price** —$5. **Business**—The manufacture of plastic boxes and containers. **Proceeds**—For repayment of loans, purchase of additional molds, acquisition of a new plant, working capital and general corporate purposes. **Office**—1650 N. Damen Ave., Chicago. **Underwriter**—D. E. Liederman & Co., Inc., New York.

● **Brinktun, Inc. (10/11)**
July 28, 1961 ("Reg. A") 133,000 common shares (par 70 cents). **Price**—$2.25. **Proceeds**—Repayment of loans and working capital. **Office**—710 N. Fourth Street, Minneapolis. **Underwriter** — McDonald, Anderson, Peterson & Co., Inc., Minneapolis.

British-American Construction & Materials Ltd.
July 7, 1961 filed $3,500,000 (U. S.) debentures, 6% sinking fund series due 1981 (with warrants) and 300,000 outstanding common shares. **Price**—By amendment. **Business**—A construction company. **Proceeds**—Debentures—For repayment of debt, construction, acquisition and working capital. Stock—For the selling stockholders. **Office**—Jarvis Ave., at Andrews St., Winnipeg, Manitoba, Canada. **Underwriter**—P. W. Brooks & Co., Inc., New York (managing).

Bronzini, Ltd.
Aug. 23, 1961 filed 125,000 common. **Price**—$6. **Business** —The manufacture of men's wear accessories. **Proceeds** —For redemption of the 10% preferred stock, repayment of a loan, expansion and working capital. **Office**—720 Fifth Ave., N. Y. **Underwriter**—A. J. Gabriel & Co., Inc., N. Y.

Buffums'
Aug. 7, 1961 filed 40,000 common shares. **Price** — By amendment. **Business** — The operation of department stores in Southern California. **Proceeds** — For general corporate purposes. **Office** — Pine at Broadway, Long Beach, Calif. **Underwriter** — Lester, Ryons & Co., Los Angeles.

Bundy Electronics Corp.
Aug. 22, 1961 filed 100,000 common shares. **Price**—$4. **Business**—The design, development and manufacture of electronic components for space and earth communications. **Proceeds**—For moving expenses, repayment of debt and working capital. **Office**—171 Fabyan Place, Newark. **Underwriters** — Bruno-Lenchner, Inc., Pittsburgh and Harry Odzer Co., New York (co-managing).

Burns (William J.) International Detective Agency, Inc.
Aug. 22, 1961 filed 175,000 class A common shares. **Price** —By amendment. **Proceeds**—For the selling stockholders. **Office**—101 Park Ave., New York. **Underwriter**—Smith, Barney & Co., Inc., New York (managing).

Cable Carriers, Inc.
March 23, 1961 filed 196,109 shares of capital stock. **Price** —$1.15. **Business**—The company which began operations in 1954, is engaged in the research and development of special material handling systems for industrial and commercial use based on company-owned patents. **Proceeds**—For working capital. **Office**—Kirk Boulevard, Greenville, S. C. **Underwriter**—To be named. **Offering**—Expected in late October.

Caldor, Inc.
July 27, 1961 filed 120,000 common shares. **Price**—$5. **Business**—The operation of retail discount stores. **Proceeds**—For expansion and working capital. **Office**—69 Jefferson St., Stamford, Conn. **Underwriter**—Ira Haupt & Co., New York (managing).

California Growth Capital Inc.
July 18, 1961 filed 660,000 common shares. **Price** — By amendment. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—111 Sutter St., San Francisco, Calif. **Underwriters**—H. M. Byllesby & Co., Inc., Chicago and Birr & Co., Inc., San Francisco.

California Real Estate Investors
Aug. 17, 1961 filed 1,000,000 shares of beneficial interest. **Price**—$10. **Business**—Real estate investment. **Office**—12014 Wilshire Blvd., Los Angeles. **Underwriter**—Harnack, Gardner & Co., (same address) (managing).

Camp Chemical Co., Inc.
Aug. 25, 1961 filed 110,000 capital shares. **Price**—$3. **Business**—The manufacture of sanitation chemicals. **Proceeds**—For advertising, additional sales personnel, inventories and accounts receivable. **Office**—Second Ave., and 13th St., Brooklyn, N. Y. **Underwriter**—Russell & Saxe, Inc., N. Y. C.

Capital Income Fund, Inc.
July 3, 1961 filed 30,000 common shares. **Price** — By amendment. **Business**—A mutual fund. **Proceeds** — For investment. **Office** — 900 Market St., Wilmington, Del. **Underwriter**—Capital Management Corp., Miami (mgr.).

Capitol Research Industries, Inc.
June 28, 1961 filed 165,000 common shares and 75,000 common stock purchase warrants. **Price**—For stock, $2; for warrants, 20 cents. **Business**—The manufacture of X-ray film processing machines. **Proceeds**—For repayment of loans and working capital. **Office**—4206 Wheeler Avenue, Alexandria, Va. **Underwriter**—None.

Carboline Co.
Aug. 4, 1961 filed 100,000 common shares, of which 35,000 shares are to be offered by the company and 65,000 shares by stockholders. **Price**—$5. **Business**—The manufacture of synthetic linings and coatings for industrial use. **Proceeds** — For repayment of loans, research and working capital. **Office**—32 Hanley Industrial Court, St. Louis. **Underwriter** — Reinholdt & Gardner, St. Louis (managing).

Card Key Systems, Inc.
July 28, 1961 ("Reg. A") 60,000 common shares (no par). **Price** — $5. **Proceeds** — For research and development, advertising equipment and working capital. **Office**—923 S. San Fernando Boulevard, Burbank, Calif. **Underwriter**—Rutner, Jackson & Gray, Inc., Los Angeles.

● **Caressa, Inc. (9/25-29)**
Aug. 2, 1961 filed 150,000 common shares, of which 75,000 will be sold by the company and 75,000 by a stockholder. **Price**—By amendment. **Business**—The manufacture of women's shoes. **Proceeds**—The company will use its share of the proceeds for expansion, the repayment of debt and for other corporate purposes. **Office**—5300 N. W. 37th Ave., Miami, Fla. **Underwriter** — Shearson, Hammill & Co., New York (managing).

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★ Catamount, Inc.
Aug. 23, 1961 ("Reg. A") $30,000 of debentures due Sept. 1, 1976, to be offered in units of $500. **Price** — At par. **Proceeds**—For operation of a ski resort. **Address**—Egremont, Mass. **Underwriter** — Kennedy & Peterson, Inc., Hartford, Conn.

Cellomatic Battery Corp. (9/25)
June 20, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price** — $2.50. **Proceeds** — For repayment of debt, inventory and working capital. **Office**—300 Delaware Avenue, Archbald, Pa. **Underwriter**—Armstrong & Co., Inc., New York.

Cerro Corp.
Aug. 24, 1961 filed 350,000 common. **Price**—By amendment. **Business**—The mining, refining and smelting of nonferrous metals in Peru and the production of copper wire, brass and bronze rods, aluminum sheet and coils in the U. S. **Proceeds**—For general corporate purposes. **Office**—300 Park Ave., N. Y. C. **Underwriters**—Morgan Stanley & Co., and Smith, Barney & Co., Inc., N. Y. C.

• Charles Jacquin et Cie, Inc. (9/15)
July 7, 1961 filed 140,000 common shares of which 20,000 shares are to be offered by the company and 120,000 shares by stockholders. **Price**—By amendment. **Business**—The production of cordials, vodka, rum, brandy, etc. **Proceeds**—For working capital, sales promotion and advertising. **Office**—2633 Trenton Ave., Philadelphia. **Underwriter**—Stroud & Co., Inc., Philadelphia (mgr.).

Charter Industries, Inc.
June 22, 1961 filed 100,000 common shares. **Price**—$4. **Business**—The manufacture of molded plastic products. **Proceeds**—For starting up production and plant expansion. **Office**—388 Codwise Ave., New Brunswick, N. J. **Underwriter**—Standard Securities Corp., N. Y. (mgr.)

Church Builders, Inc.
Feb. 6, 1961 filed 50,000 shares of common stock, series 2. **Price**—$5.50 per share. **Business**—A closed-end diversified investment company of the management type. **Proceeds**—For investment. **Office**—501 Bailey Avenue, Fort Worth, Texas. **Distributor**—Associates Management, Inc., Fort Worth, Texas.

Churchill Stereo Corp.
July 17, 1961 105,000 common shares and 105,000 attached five-year warrants to be offered in units of one share and one warrant. **Price**—$3.60 per unit. **Business**—The manufacture of stereophonic, hi-fidelity, radio and/or television equipment and the operation of six retail stores. **Proceeds** — For expansion, repayment of loans, working capital and other corporate purposes. **Office**—200 E. 98th Street, Brooklyn, N. Y. **Underwriter**—Lieberbaum & Co., New York (managing).

★ Cineque Colorfilm Laboratories, Inc.
Aug. 29, 1961 ("Reg. A") 120,000 common. **Price**—$2.50. **Business**—The production of slides and color film strips. **Proceeds**—For equipment, sales promotion and advertising. **Office**—424 E. 89th St., N. Y. **Underwriter**—Paul Eisenberg Co., N. Y.

Clarise Sportswear Co., Inc.
July 21, 1961 filed 125,000 common shares, of which 75,000 shares are to be offered by the company and 50,000 shares by stockholders. **Price**—$5. **Business**—The manufacture of women's sportswear. **Proceeds**—For working capital. **Office**—141 W. 36th Street, New York. **Underwriters**—Alessandrini & Co., Inc. and Hardy & Hardy, New York (co-managing).

• Cle-Ware Industries, Inc. (9/25-29)
July 25, 1961 filed 195,000 common shares of which 160,000 shares are to be offered by the company and 35,000 shares by stockholders. **Price**—By amendment. **Business**—The wholesaling of parts, chemicals and accessories related to the automotive and marine fields. **Proceeds**—For repayment of loans, working capital and other corporate purposes. **Office**—10604 St. Clair Ave., Cleveland. **Underwriter**—Westheimer & Co., Cincinnati.

Clute (Francis H.) & Son, Inc.
July 3, 1961 filed 1,000,000 common shares. **Price**—$1.50. **Business** — The manufacture of farm and industrial equipment. **Proceeds**—For materials and inventory, research and development and working capital. **Office**—1303 Elm St., Rocky Ford, Colo. **Underwriter** — Stone, Altman & Co., Inc., Denver.

• Cobbs Fruit & Preserving Co.
July 27, 1961 filed 150,000 common shares, of which 128,500 are to be offered for public sale by the company and 21,500 by the underwriter. **Price**—$5. **Business**—The sale of fruits, candies, preserves and novelties. **Proceeds**—For expansion and other corporate purposes. **Office**—400 N. E. 79th St., Miami, Fla. **Underwriter** — Jay W. Kaufmann & Co., N. Y. **Note** — This registration was withdrawn Aug. 31.

Cole Vending Industries, Inc.
Aug. 28, 1961 filed 115,000 common. **Price**—By amendment. **Business**—The manufacture, sale and servicing of vending machines. **Proceeds**—For working capital. **Office**—560 W. Lake St., Chicago. **Underwriter**—Straus, Blosser & McDowell, Chicago (mgr.).

Color Reproductions, Inc.
May 10, 1961 (letter of notification) 950 units of $95,000 of 6% subordinated debentures, due June 30, 1971, and 47,500 shares of common stock (par one cent) to be offered in units, each unit consisting of $100 of debentures and 50 shares of common stock. **Price**—$287.50 per unit. **Business**—The company makes color photographs and reproductions for churches, institutions, seminaries and schools. **Proceeds**—For equipment; sales promotion; repayment of loans; construction of buildings and improvements of facilities. **Office**—202 E. 44th St., New York, N. Y. **Underwriter**—William, David & Motti, Inc., N. Y.

Columbia Research Group (10/13)
June 20, 1961 filed 5,000,000 preferred shares (par one cent). **Price**—$1. **Business**—The production of religious and educational phonograph records. **Proceeds**—For general corporate purposes. **Office**—3600 Market Street, Salt Lake City, Utah. **Underwriter**—None.

Columbian Bronze Corp.
July 13, 1961 filed 150,000 common shares. **Price**—$5. **Business**—The manufacture of marine propellers and electronic equipment, hydraulic products and metal furniture. **Proceeds**—For repayment of loans and expansion. **Office**—216 N. Main St., Freeport, N. Y. **Underwriter**—Lomasney, Loving & Co., New York (managing).

• Combined Insurance Co. of America
Aug. 25, 1961 filed 300,000 common. **Price**—By amendment. **Proceeds**—For the selling stockholders. **Business**—The writing of accident and health insurance. **Office**—5050 Broadway, Chicago. **Underwriter**—Smith, Barney & Co., N. Y. C. (mgr.).

Commonwealth Theatres of Puerto Rico, Inc. (9/18)
July 28, 1961 filed 100,000 common shares, of which 50,000 shares are to be offered by the company and 50,000 shares by stockholders. **Price**—$10. **Business**—The operation of a chain of theatres in Puerto Rico. **Proceeds**—For construction of a drive-in movie theatre, building renovations and general corporate purposes. **Address**—Santurce, Puerto Rico. **Underwriter**—J. R. Williston & Beane, New York (managing).

★ Consolidated Chemical & Paint Corp.
Aug. 29, 1961 filed $275,000 of 6½% subordinated convertible debentures due 1968 and 68,750 common to be offered in units consisting of $100 of debentures and 25 common. **Price**—$200 per unit. **Business**—The company manufactures from oil, chemicals and pigments, diverse basic paint lines. **Proceeds**—For retirement of outstanding 6% debentures, repayment of debt and working capital. **Office**—456 Driggs Ave., Brooklyn, N. Y. **Underwriters**—Armstrong & Co., N. Y., and L. C. Wegard & Co., Trenton, N. J.

Consolidated Marine Industries, Inc.
June 20, 1961 filed 200,000 common shares. **Price**—$6. **Business**—A holding company for concerns engaged in the pleasure-boat industry. **Proceeds**—For working capital and other corporate purposes. **Office**—809 Cameron Street, Alexandria, Va. **Underwriter**—Alexandria Investments & Securities, Inc., Washington, D. C.

• Consolidated Production Corp. (9/20)
May 26, 1961 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company, which plans to change its name to Consolidated Production Corp., buys and manages fractional interests in producing oil and gas properties. **Proceeds**—For investment, and working capital. **Office**—14 North Robinson, Oklahoma City, Okla. **Underwriter** — Shearson, Hammill & Co., New York City (managing). **Note**—This company formerly was named Cador Production Corp.

Consolidated Vending Corp.
Aug. 29, 1961 filed $150,000 of 6% debentures due 1971 and 50,000 common to be offered in units each consisting of $150 of debentures and 50 common. **Price**—$400 per unit. **Business**—The operation of vending machines. **Proceeds** — For repayment of loans, new equipment and working capital. **Office** — 129 S. State St., Dover, Del. **Underwriter**—William, David & Motti, Inc., N. Y. C.

Consumers Utilities Corp.
July 27, 1961 filed 302,000 outstanding common shares to be offered for subscription by stockholders of Mobilife Corp., of Bradenton, Fla., parent company, on the basis of 3 Consumers shares for each 5 Mobilife shares held. **Price**—By amendment. **Business**—The acquisition, construction and operation of water-treatment and sewage-disposal plants in suburban areas of Florida. **Proceeds** — For the selling stockholder (Mobilife Corp.) **Office**—Sarasota, Fla. **Underwriter**—Golkin, Bomback & Co., New York City.

Continental Fund Distributors, Inc.
April 13, 1961 filed 296,000 common shares and 296,000 warrants for the purchase of stock of Continental Management Corp., advisor to Continental Growth Fund, Inc. The securities will be offered for public sale in units of one common share and one warrant. **Price**—$1 per unit. **Business**—The company is the sponsor of Continental Growth Fund, Inc. **Proceeds**—For expansion. **Office**—366 Fifth Ave., New York City. **Underwriter**—Niagara Investors Corp., New York.

• Continental Leasing Corp. (9/25-29)
June 19, 1961 ("Reg. A") 100,000 common shares (par one cent). **Price**—$3. **Proceeds**—For purchase of new automobiles, advertising and promotion, and working capital. **Office**—527 Broad St., Sewickley, Pa. **Underwriter** — H. B. Crandall Co. and Cambridge Securities, Inc., New York.

Continental-Pacific Industries, Inc.
July 21, 1961 ("Reg. A") 300,000 common shares (par 10 cents). **Price**—$1. **Proceeds**—For repayment of loans, tooling, a patent purchase, salaries, inventory and working capital. **Office**—1299 Bay Shore Blvd., Burlingame, Calif. **Underwriter**—Amos C. Sudler & Co., Denver.

Continental Real Estate Investment Trust
Aug. 3, 1961 filed 300,000 shares of beneficial interest. **Price**—$10. **Business**—Real estate. **Proceeds**—For investment. **Office**—530 St. Paul Place, Baltimore. **Underwriter**—F. Baruch & Co., Inc., Washington, D. C. (managing).

Continental Vending Machine Corp.
Aug. 11, 1961 filed $5,052,700 of 6% convertible subordinated debentures due 1976, to be offered for subscription by stockholders on the basis of $100 of debentures for each 80 common shares held. **Price**—By amendment. **Business**—The manufacturing of vending machines. **Proceeds**—For repayment of loans and working capital. **Office** — 956 Brush Hollow Road, Westbury, L. I., N. Y. **Underwriter**—Hardy & Co., New York (managing).

• Control Data Corp. (9/20)
Aug. 10, 1961 filed 300,000 common shares. **Price**—By amendment. **Business**—The manufacture of mechanical equipment. **Proceeds**—For repayment of loans, working caiptal and general corporate purposes. **Office** — 501 Park Avenue, Minneapolis. **Underwriter**—Dean Witter & Co., San Francisco (managing).

• Control Lease Systems, Inc.
July 21, 1961 ("Reg. A") 225,000 common shares (par 10 cents). **Price**—$1.15. **Proceeds**—For equipment, research and development and capital expenditures. **Office**—3386 Brownlow Ave., St. Louis Park, Minn. **Underwriters**—M. H. Bishop & Co., and J. P. Penn & Co., Inc., Minneapolis.

Cook (L. L.)
Aug. 4, 1961 filed 49,736 common shares, of which 9,600 shares are to be offered by the company and 40,136 shares by stockholders. **Price**—By amendment. **Business**—The processing of photographic film, wholesaling of photographic supplies and the manufacture of post cards. **Proceeds**—For general corporate purposes. **Office**—1830 N. 16th St., Milwaukee. **Underwriter**—Milwaukee Co., Milwaukee (managing).

Cosmetic Chemicals Corp.
June 28, 1961 filed 100,000 common shares (par one cent). **Price** — $4. **Business** — The distribution of cosmetics. **Proceeds**—For advertising, sales expenses, inventory, research, working capital and other corporate purposes. **Office**—5 E. 52nd Street, New York. **Underwriter**—Nance-Keith Corp., New York.

Cosmetically Yours, Inc.
Aug. 23, 1961 filed 42,500 common. **Price**—$4. **Business**—The manufacture of cosmetics. **Proceeds**—For repayment of a loan, advertising, equipment, inventory, research and development and working capital. **Office**—15 Clinton St., Yonkers, N. Y. **Underwriter**—P. J. Gruber & Co., Inc., N. Y.

Cosmo Book Distributing Co.
July 6, 1961 filed 110,000 common shares. **Price** — $3. **Business**—The wholesale distribution of books. **Proceeds**—For repayment of a loan, inventory, working capital and general corporate purposes. **Office** — 1130 Madison Ave., Elizabeth, N. J. **Underwriter**—Frank Karasik & Co., Inc., New York.

Cosnat Record Distributing Corp. (10/2-6)
May 26, 1961 filed 150,000 shares of common stock, of which 105,556 shares are to be offered for public sale by the company and 44,444 outstanding shares by the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and distribution of phonograph records. **Proceeds**—For the repayment of debt, and working caiptal. **Office**—315 W. 47th St., N. Y. **Underwriter**—Amos Treat & Co., N. Y. C. (mgr.)

Cowles Magazines & Broadcasting, Inc.
Aug. 30, 1961 filed 350,000 capital shares. **Price**—By amendment. **Business**—The publication of "Look" magazine, the sale of subscriptions to other magazines and the operation of TV and radio stations. **Proceeds**—For general corporate purposes. **Office**—488 Madison Ave., N. Y. **Underwriter**—Goldman, Sachs & Co., N. Y. C.

Cramer Electronics, Inc.
July 27, 1961 filed 150,000 common shares, of which 107,250 shares are to be offered by the company and 42,750 shares by the stockholders. **Price**—By amendment. **Business**—The distribution of electronic components and equipment. **Proceeds**—For repayment of loans, inventory and working capital. **Office**—811 Boylston St., Boston. **Underwriter**—Carl M. Loeb, Rhoades & Co., N. Y. (mgr.)

Crank Drug Co.
July 3, 1961 filed 130,000 common shares. **Price** — By amendment. **Business** — The operation of retail drug stores. **Proceeds**—For repayment of loans, and for expansion. **Office**—1947 E. Meadowmere St., Springfield, Mo. **Underwriter**—Reinholdt & Gardner, St. Louis (mgr.).

★ Creative Electronics, Inc.
Aug. 29, 1961 filed 75,000 class A. **Price** — By amendment. **Business**—The manufacture of audio reproduction devices, associated products and electrical transformers. **Proceeds** — For expansion, inventory, working capital and general corporate purposes. **Office**—4008 S. Michigan Ave., Chicago. **Underwriter**—None.

• Creative Playthings, Inc. (10/2-6)
July 28, 1961 filed 100,000 common shares. **Price** — By amendment. **Business**—The manufacture of equipment and material for children. **Proceeds**—For research and development, expansion, repayment of loans and working capital. **Address**—Cranbury, N. J. **Underwriter**—A. G. Becker & Co., Inc., Chicago and Semple, Jacobs & Co., Inc., St. Louis.

Cromwell Business Machines, Inc. (9/18)
Aug. 1, 1961 ("Reg. A") 100,000 common shares (par 50 cents). **Price**—$3. **Proceeds**—For repayment of loans, machinery, leasehold improvements, advertising and working capital. **Office**—7451 Coldwater Canyon Avenue, North Hollywood, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco.

Crossway Motor Hotels, Inc.
Aug. 4, 1961 filed 70,000 common shares. **Price**—$5. **Business**—The operation of a motor hotel chain. **Proceeds**—For acquisition, expansion and the repayment of debt. **Office**—54 Tarrytown Rd., White Plains, N. Y. **Underwriter**—Candee & Co., New York.

Custom Shell Homes, Inc. (9/18)
May 8, 1961 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Proceeds**—To erect sample homes, repay a loan, and for

expansion and working capital. **Office**—412 W. Saratoga St., Baltimore, Md. **Underwriter**—T. J. McDonald & Co., Washington, D. C.

• Dadan, Inc. (9/19)
June 29, 1961 ("Reg. A") 160,000 common shares (par 50 cents). **Price**—$1.15. **Business**—The manufacture of games. **Proceeds**—For repayment of loans, development of new products and working capital. **Office**—209 Wilder Bldg., Rochester 14, N. Y. **Underwriter**—McDonald, Anderson, Peterson & Co., Inc., Minneapolis.

Dale Systems, Inc.
Aug. 9, 1961 filed 100,000 common shares. **Price**—$3.50. **Business**—A shopping service which checks the efficiency of retail sales employees. **Proceeds**—For expansion and general corporate purposes. **Office** — 1790 Broadway, New York. **Underwriter**—Theodore Arrin & Co., Inc., New York.

Data Management, Inc.
July 17, 1961 ("Reg. A") 260,869 class A common shares (par 10 cents). **Price**—$1.15. **Proceeds**—For purchase of equipment, investments, and working capital. **Office**—1608 First National Bank Building, Minneapolis. **Underwriter**—M. H. Bishop & Co., Minneapolis.

Datom Industries, Inc.
July 17, 1961 filed 112,500 common shares. **Price**—$4. **Business**—The manufacture of electrical products such as transistorized and conventional tube radios, portable phonographs and educational kits. **Proceeds**—For working capital and other corporate purposes. **Office**—350 Scotland Road, Orange, N. J. **Underwriter**—Robert L. Ferman & Co., Miami, Fla. (managing).

Deco Aluminum, Inc.
July 5, 1961 ("Reg. A") 100,000 common shares (par five cents). **Price** — $3. **Proceeds** — For repayment of loans; inventory; equipment and working capital. **Office** —4250 Adams Ave., Philadelphia. **Underwriter**—R. P. & R. A. Miller & Co., Inc., Philadelphia.

• Delta Capital Corp.
Aug. 9, 1961 filed 500,000 common shares. **Price** — By amendment. **Business** — A small business investment company. **Proceeds**—For investment. **Office**—610 National Bank of Commerce Building, New Orleans. **Underwriters**—Blair & Co., New York and Howard, Weil, Labouisse, Friedrichs & Co., New Orleans (managing).

Delta Sonics, Inc.
Aug. 3, 1961 ("Reg. A") 100,000 common shares (par $1). **Price**—$3. **Business**—The manufacture of ultrasonic and electronic systems and components. **Proceeds**—For plant and equipment; material and inventory; repayment of a loan and working capital. **Office** — 12918 Gerise Ave., Hawthorne, Calif. **Underwriter**—Haas, Lidster & Co., Los Angeles.

★ Dero Research & Development Corp.
Aug. 24, 1961 ("Reg. A") 54,000 common. **Price**—$2.40. **Business**—The manufacture of FM Deviation Monitors. **Proceeds**—For development, expansion, advertising and working capital. **Office** — Broadway and Park Ave., Huntington, N. Y. **Underwriter**—James Co., N. Y.

Diversified Wire & Steel Corp. of America
July 17, 1961 filed 100,000 class A common shares. **Price** —$4. **Business**—The manufacture of cold drawn steel wire, furniture springs and related products. **Proceeds**—for repayment of debt, acquisition and improvement of property, equipment, and working capital. **Office**—3525 E. 16th St., Los Angeles. **Underwriter**—V. K. Osborne & Sons, Inc., Beverly Hills, Calif. (managing).

Dollar Mutual Fund, Inc.
April 25, 1961 filed 100,000,000 shares of capital stock. **Price** — $1 per share. **Business** — A diversified mutual fund. **Proceeds** — For investment. **Office** — 736 Midland Bank Bldg., Minneapolis, Minn. **Underwriter**—Fund Distributors, Inc.

Douglas Microwave Co., Inc. (9/18)
June 29, 1961 filed 100,000 common shares. **Price**—By amendment. **Business**—The manufacture of microwave components, test equipment and sub-systems. **Proceeds** —For repayment of loans, research and development, advertising, purchase of equipment and other corporate purposes. **Office**—252 E. 3rd Street, Mount Vernon, N. Y. **Underwriters**—J. R. Williston & Beane and Hill, Darlington & Grimm, New York (managing).

Dressen-Barnes Electronics Corp. (10/2-6)
Aug. 14, 1961 filed 100,000 capital shares, of which 75,000 shares are to be offered by the company and 25,000 shares by stockholders. **Price**—By amendment. **Business** —The manufacture of power supplies and automatic label dispensers. **Proceeds**—For repayment of loans, and working capital. **Office**—250 N. Vinedo Street, Pasadena, Calif. **Underwriter**—Lester, Ryons & Co., Los Angeles.

Drug & Food Capital Corp. (9/18-22)
July 14, 1961 filed 500,000 common shares. **Price**—$10. **Business**—A small business investment company. **Proceeds**— For investment. **Office**—30 N. La Salle St., Chicago. **Underwriters**—A. C. Allyn & Co., Chicago & Wertheimer & Co., Cincinnati (managing).

Duke Shopping Center Limited Partnership
June 28, 1961 filed 269 units of limited partnerships interests. **Price** — $1,000. **Business** — The acquisition and construction of a shopping center at Alexandria, Va. **Proceeds**—For the purchase of the above property. **Office**—729-15th Street, N. W., Washington, D. C. **Underwriter**—Investor Service Securities, Inc., Washington, D.C.

• Dunlap & Associates, Inc. (10/16)
June 30, 1961 filed 75,000 common shares, of which 60,000 will be offered by the company and 15,000 by stockholders. **Price**—By amendment. **Business**—The company provides scientific research, engineering consulting and development services to the Armed Services, U. S. Government agencies and private industry. **Proceeds**—For purchase of building sites, expansion, and working capital. **Office**—429 Atlantic St., Stamford, Conn. **Underwriter**—Dominick & Dominick, New York.

Dynamic Cable Systems
July 31, 1961 ("Reg. A") 50,000 common shares (par 50 cents). **Price**—$6. **Proceeds**—For repayment of debt-equipment and working capital. **Office** — 8421 Telfair Avenue, Sun Valley, Calif. **Underwriter** — Raymond Moore & Co., Los Angeles.

Dynamic Gear Co., Inc.
June 29, 1961 filed 125,000 common shares of which 100,000 shares are to be offered by the company and 25,000 shares by a stockholder. **Price** — $3. **Business** — Manufacture of precision instrument gears. **Proceeds**—For purchase and rebuilding of automatic gear-cutting machines, prepayment of a note, inventory, a new plant and for general corporate purposes. **Office**—175 Dixon Avenue, Amityville, N. Y. **Underwriters**—Flomenhaf, Seidler & Co., Inc. and Lomasney, Loving & Co., New York (managing).

• Dynamic Toy, Inc. (10/18)
June 30, 1961 ("Reg. A") 81,000 common shares (par 10 cents). **Price**—$3. **Business** — The manufacture of toys. **Proceeds**—For advertising, development of new products expansion and working capital. **Address**—109 Ainslie St., Brooklyn, N. Y. **Underwriter**—Hancock Securities Corp., New York.

Eastern Air Devices, Inc.
June 16, 1961 filed 150,000 common shares being offered for subscription by common stockholders of Crescent Petroleum Corp., parent, on the basis of one share for each 10 Crescent shares held of record August 25 with rights to expire Sept. 15. **Price**—$5. **Business**—The manufacture of power and servo components. **Proceeds**—For the purchase of equipment and other corporate purposes. **Office**—385 Central Avenue, Dover, N. H. **Underwriters**—Sutro Bros & Co. and Gregory & Sons, New York (co-mgrs.).

Eastern Properties Improvement Corp.
Aug. 22, 1961 filed $1,500,000 of subordinated debentures due 1981 and 250,000 common shares. **Price**—For debentures, $1,000; for stock, $10. **Business**—General real estate. **Proceeds**—For the acquisition and development of real properties, repayment of debt and engineering, etc. **Office**—10 E. 40th St., New York. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia (managing). **Offering**—Expected in late October.

Eckerd Drugs of Florida, Inc.
June 29, 1961 filed 90,000 common shares and $900,000 of 7% convertible subordinated debentures due 1971 to be offered in units consisting of one common share and $10 of debentures. **Price**—By amendment. **Business**—The operation of drug stores. **Proceeds**—To open 5 new stores, repay loans and other corporate purposes. **Office** —3665 Gandy Blvd., Tampa, Fla. **Underwriter**—Courts & Co., Atlanta (managing).

Electra International, Ltd.
May 5, 1961 filed 70,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The manufacture of products in the automotive ignition field for sale outside of the United States. **Proceeds** — For research, and development, and working capital. **Office**—222 Park Ave., South, New York City. **Underwriter**—Ezra Kureen Co., New York City.

Electra-Tronics, Inc. (10/16)
Aug. 14, 1961 ("Reg. A") 60,000 common (par 75c). **Price**—$3. **Business**—The company is a military subcontractor in the electronics field. **Proceeds**—For the repayment of loans, inventory, expansion and working capital. **Office**—1242 N. Palm, Sarasota, Fla. **Underwriter** —Jay Morton & Co., Inc., Sarasota.

Electro-Med, Inc.
July 17, 1961 filed $540,000 of convertible subordinated debentures due 1971. **Price**—By amendment. **Business** —The manufacture of medical-electronic instruments. **Proceeds** — For working capital. **Office** — 4748 France Avenue, N. Minneapolis. **Underwriter**—Craig-Hallum, Kinnard, Inc., Minneapolis (managing).

• Electro-Miniatures Corp. (9/18-22)
June 19, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business** — The manufacture of electronic and electro-mechanical devices for the aircraft, radar, missile and rocket industries. **Proceeds**—For the selling stockholders. **Office**—600 Huyler St., Hackensack, N. J. **Underwriter**—Burnham & Co., New York.

Electro-Tec Corp.
July 28, 1961 filed 91,000 common shares (par 10 cents). **Price**—By amendment. **Business**—The manufacture of slip rings and brush block assemblies, switching devices, relays, and precious metal products. **Proceeds**—For the selling stockholders. **Office** — 10 Romanelli Ave., South Hackensack, N. J. **Underwriter**—Harriman Ripley & Co., Inc., New York (managing). **Offering**—Expected in late September.

Electro-Temp Systems, Inc.
June 30, 1961 ("Reg. A") 75,000 common shares (par one cent). **Price** $4. **Business**—The sale of refrigeration machinery and equipment. **Proceeds**—For repayment of a loan, inventory, promotion and advertising, and working capital. **Office**—150-49 Hillside Ave., Jamaica, N. Y. **Underwriters**—Planned Investing Corp., New York and Bayes, Rose & Co., Inc., 39 Broadway, New York.

Electronics Discovery Corp.
July 26, 1961 filed 150,000 common shares. **Price**—$1. **Business** — The company plans to develop a device to make non-conductors into electrical conductors by the addition of chemicals. **Proceeds**—For research and development. **Office** — 1100 Shames Dr., Westbury, L .I., N. Y. **Underwriter**—Globus, Inc., New York.

• Empire Fund, Inc. (9/11-15)
June 28, 1961 filed 1,250,000 shares of capital stock to be offered in exchange for blocks of designated securities. **Business**—A "centennial-type" fund which plans to offer a tax free exchange of its shares for blocks of corporate securities having a market value of $20,000 or more. **Office**—44 School Street, Boston, Mass. **Underwriter**—A. G. Becker & Co., Inc., Chicago.

Empire Life Insurance Co. of America (9/18)
March 14, 1961 (letter of notification) 30,000 shares of capital stock (no par). **Price**—$10 per share. **Proceeds**—To go to selling stockholders. **Office**—2801 W. Roosevelt Road, Little Rock, Ark. **Underwriter**—Consolidated Securities, Inc., 2801 W. Roosevelt Road, Little Rock, Ark.

★ Empire Precision Components, Inc.
Aug. 29, 1961 ("Reg. A") 65,000 class A. **Price**—$4. **Business**—The manufacture of metal component parts for precision electronic connectors. **Proceeds**—For moving expenses, a new plant, equipment, repayment of loans and working capital. **Office**—574 President St., Brooklyn, N. Y. **Underwriter**—Ezra Kureen Co., N. Y.

Empire State Building Associates
Aug. 24, 1961 filed $39,000,000 participations of general partnership interest to be offered in units. **Price**—$10,000 per unit. **Business**—General real estate. **Proceeds**—To help finance the purchase of the Empire State Building. **Office**—60 E. 42nd St., N. Y. **Underwriter**—None.

Equitable Leasing Corp.
June 19, 1961 ("Reg. A") 90,000 common shares (par 25 cents) being offered for subscription by stockholders of record August 15, with rights to expire August 30. **Price**—$2. **Proceeds** — For advertising and promotion, legal and audit fees, and working capital. **Office**—247 Charlotte St., Asheville, N. Y. **Underwriter**—Courts & Co., Atlanta.

★ Essex Green Shopping Plaza Associates
Sept. 1, 1961 filed $1,683,000 limited partnership interests. **Price**—$5,000 per unit. **Business**—The operation of shopping centers. **Proceeds**—For property acquisitions. **Office**—320 Park Ave., N. Y. **Underwriter**—Interamerica Securities Corp., N. Y.

Executive Equipment Corp.
Aug. 1, 1961 filed 100,000 common shares. **Price** — $4. **Business**—The long-term leasing of automobiles. **Proceeds** — For the purchase of automobiles, establishment of a trucking division and a sales office, and for working capital. **Office** — 790 Northern Blvd., Great Neck, N. Y. **Underwriters**—Reich & Co., and Jacques Coe & Co., New York.

• Executive House, Inc. (10/23-27)
Aug. 29, 1961 filed $2,000,000 of 6% subordinated sinking fund debentures due 1971 and 400,000 common to be offered in 200,000 units, each consisting of a $10 debenture (with 2 warrants) and two common. **Price**—By amendment. **Business**—The operation of hotels. **Proceeds**—For investment in a subsidiary and realty acquisitions. **Office** —71 E. Wacker Dr., Chicago. **Underwriters** — Bear, Stearns & Co., N. Y. C. and Straus, Blosser & McDowell Co., Chicago (mgrs.).

★ FMC Corp.
Sept. 5, 1961 filed $30,000,000 convertible subordinated debentures due 1981. **Price**—By amendment. **Business**—The manufacture of industrial and agricultural chemical equipment. **Proceeds**—For general corporate purposes. **Office**—1105 Coleman Ave., Santa Fe Springs, Calif. **Underwriter**—Kidder, Peabody & Co., N. Y.

FM-Stereo Guide, Inc.
Aug. 4, 1961 "Reg. A" 50,000 common shares. **Price**—$6. **Business**—The company plans to publish a national magazine featuring detailed FM radio program listings, reviews, interviews, etc. **Proceeds**—For general corporate purposes. **Office**—1711 Walnut Street, Philadelphia. **Underwriter** — Valley Forge Securities Co., Inc., New York City and Philadelphia.

• Fairfield Controls, Inc. (9/18-22)
May 19, 1961 filed 150,000 shares of common stock. **Price** —$1 per share. **Business**—The manufacture of electronic solid state power controls designed by the company's engineers from specifications supplied by customers. **Proceeds**—For equipment, repayment of a loan, inventory, advertising and working capital. **Office**—114 Manhattan Street, Stamford, Conn. **Underwriters** — First Philadelphia Corp., and Lieberbaum & Co., both of N. Y.

★ Family Circle Associates, Inc.
Aug. 30, 1961 filed 50,000 class A common. **Price**—$7. **Business**—The operation of retail discount department stores. **Proceeds**—For repayment of loans and working capital. **Office**—30 Main St., Keyport, N. J. **Underwriter** —Russell & Saxe, Inc., N. Y.

• Faradyne Electronics Corp. (9/25-29)
Jan. 30, 1961 filed $2,000,000 of 6% convertible subordinated debentures. **Price**—100% of principal amount. **Business**—The company is engaged in the manufacture and distribution of high reliability materials and basic electronic components, including dielectric and electrolytic capacitors and precision tungsten wire forms. **Proceeds**—For the payment of debts and for working capital. **Office**—471 Cortlandt Street, Belleville, N. J. **Underwriter**—S. D. Fuller Co. **Note**—July 11, the SEC instituted "Stop Order" proceedings challenging the accuracy and adequacy of this statement. A hearing on the matter will be held Sept. 8.

Fashion Homes Inc.
July 18, 1961 filed $600,000 of subordinated debentures due 1971; 100,000 common shares and 100,000 five-year warrants (exercisable at from $4 to $8 per share) to be offered for public sale in units of one $60 debenture, 10 common shares and 10 warrants. The registration also

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covers 40,800 common shares. **Price**—$100 per unit, and $6 per share. **Business**—The construction of shell homes. **Proceeds**—For redemption of 8% debentures; advances to company's subsidiary; repayment of loans; advertising and promotion, and other corporate purposes. **Office**—1711 N. Glenstone, Springfield, Mo. **Underwriters** — Globus, Inc. and Ross, Lyon & Co., Inc., New York.

Federal Manufacturing & Engineering Corp.
June 30, 1961 filed 534,346 common shares of which 92,782 shares are being offered for subscription by stockholders on basis of 1 new share for each 5 shares held, and 92,782 shares offered for subscription by stockholders of Victoreen Instrument Co., parent firm, on the basis of one new share for each Victoreen share held. The record date and the rights expiration date in both cases are Aug. 25 and Sept. 14, respectively. **Price**—$4. **Proceeds**—For the repayment of bank loans and other corporate purposes. **Office**—1055 Stewart Ave., Garden City, N. Y. **Underwriter**—None.

First Mortgage Fund (9/18)
June 12, 1961 filed 1,000,000 shares of beneficial interests. **Price** — $15. **Business** — A real estate investment trust. **Proceeds**—For investment. **Office**—30 Federal St., Boston. **Underwriter**—Shearson, Hammill & Co., N. Y.

First National Real Estate Trust
June 6, 1961 filed 1,000,000 shares of beneficial interest in the Trust. **Price**—By amendment. **Business**—Real estate investment. **Office**—15 William St., New York. **Distributor**—Aberdeen Investors Program, Inc., New York.

● First National Realty & Construction Corp. (10/2-6)
Aug. 11, 1961 filed $3,000,000 of 6½% subordinated debentures due 1976 (with warrants attached). **Price**—By amendment. **Business** — The construction and management of real estate. **Proceeds**—For repayment of loans and general corporate purposes. **Office**—630 Third Avenue, N. Y. **Underwriter**—H. Hentz & Co., N. Y. (mgr.)

● First Small Business Investment Company of Tampa, Inc.
Oct. 6, 1960 filed 500,000 shares of common stock. Price —$12.50 per share. Proceeds — To provide investment capital. Office—Tampa, Fla. Underwriter—None.

★ First Union Realty
Aug. 30, 1961 filed 1,060,000 shares of beneficial interests. **Price**—By amendment. **Business**—A real estate investment trust. **Proceeds**—For purchase of an office building, repayment of loans and working capital. **Office**—Union Commerce Bldg., Cleveland. **Underwriters**—Harriman Ripley & Co., N. Y., and Hayden, Miller & Co., Cleveland.

● First Western Financial Corp. (10/16-20)
Aug. 23, 1961 filed 450,000 common, of which 100,000 shares are to be offered by the company and 350,000 shares by stockholders. **Price**—By amendment. **Business**—A holding company for a savings and loan association, an insurance agency, real estate and escrow agencies and an appraisal service. **Proceeds**—For repayment of a loan and general corporate purposes. **Office**—118 Las Vegas Blvd. S., Las Vegas, Nev. **Underwriter**—A. C. Allyn & Co., N. Y. (mgr.).

● Flato Realty Fund (9/20)
April 21, 1961 filed 2,000,000 shares of participation in the Fund. Price—$10 per share. Business—A new real estate investment trust. Proceeds — For investment. Office—Highway 44 and Baldwin Blvd., Corpus Christi, Texas. Distributor—Flato, Bean & Co., Corpus Christi.

Fleetwood Securities Corp. of America
Aug. 8, 1961 filed 70,000 common shares, of which 56,000 shares are to be offered by the company and 14,000 shares by stockholders. **Price**—$10. **Business**—Distributor of Electronics Investment Corp., Contractual Plans and a broker-dealer registered with NASD. **Proceeds**—To increase net capital and for investment. **Office**—44 Wall St., New York. **Underwriter** — General Securities Co., Inc., New York. **Offering**—Expected in early Oct.

Flora Mir Candy Corp.
May 24, 1961 (letter of notification) 85,700 shares of common stock (par 10 cents). **Price**—$3.50 per share. **Business**—The manufacture of candy products. **Proceeds**—For repayment of loans; working capital, and expansion. **Office**—1717 Broadway, Brooklyn, N. Y. **Underwriters**—Security Options Corp.; Jacey Securities Co. and Planned Investing Corp. all of New York City.

● Foamland U. S. A., Inc.
June 22, 1961 filed 150,000 common shares, of which 90,000 shares are to be offered by the company and 60,000 shares by the stockholders. **Price**—$5. **Business**—The manufacture and retail sale of household furniture. **Proceeds**—For acquisition of new stores, development of new furniture items, working capital and other corporate purposes. **Office** — Cherry Valley Terminal Road, West Hempstead, N. Y. **Underwriter** — Fialkov & Co., Inc., N. Y. C. (mgr.). **Note**—Fialkov & Co., is no longer underwriting this issue.

● Fotochrome Inc. (9/20)
June 29, 1961 filed $3,500,000 of convertible subordinated debentures due 1981 and 262,500 outstanding common shares. The debentures are to be offered by the company and the stock by stockholders. **Price** — By amendment. **Business** — The processing of photographic films; the wholesaling of photographic supplies and the development and sale of film processing. **Proceeds** — For construction of a new plant, purchase of equipment, moving expenses and for other corporate purposes. **Office**—1874 Washington Ave., New York. **Underwriters**—Shearson, Hammill & Co., and Emanuel, Deetjen & Co., N. Y.

Foursquare Fund, Inc.
Aug. 4, 1961 filed 500,000 common shares. **Price** — By amendment. **Business**—A mutual fund. **Proceeds**—For investment. **Office**—27 State St., Boston. **Underwriter**—None.

★ Fram Corp.
Sept. 1, 1961 filed 50,000 common. **Price**—By amendment. **Business** — The manufacture of oil and air filtration equipment for engines. **Proceeds**—To reimburse Treasury for a recent acquisition. **Office**—105 Pawtucket Ave., East Providence, R. I. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc., N. Y.

● G-W Ameritronics, Inc.
Jan. 25, 1961 filed 80,000 shares of common stock and 100,000 warrants to purchase a like number of common shares, to be offered for public sale in units, each consisting of one share of common stock and two warrants. Each warrant will entitle the holder thereof to purchase one share of common stock at $2 per share from March to August 1961 and at $3 per share from September 1962 to February 1964. **Price** — $4 per unit. **Business** — The company (formerly Gar Wood Philadelphia Truck Equipment, Inc.), distributes, sells, services and installs Gar Wood truck bodies and equipment in Pennsylvania, Delaware, and New Jersey, under an exclusive franchise. **Proceeds** — For general corporate purposes. **Office** — Kensington and Sedgley Avenues, Philadelphia, Pa. **Underwriter**—Fraser & Co., Inc., Philadelphia, Pa. **Note**—Company plans to change its name to G-W Industries. **Offering**—Imminent.

Gem Electronic Distributors, Inc.
Aug. 25, 1961 filed 75,000 common. **Price**—By amendment. **Business**—The distribution of electronic parts and equipment, including TV and radio components. **Proceeds**—For repayment of loans and inventory. **Office**—34 Hempstead Turnpike, Farmingdale, N. Y. **Underwriter**—Carter, Berlind, Potoma & Weill, N. Y. C. (mgr.).

General Foam Corp.
Aug. 15, 1961 filed $4,000,000 of 6% convertible subordinated debentures due 1981. **Price**—At par. **Business**—The manufacture of urethane foam and foam rubber products. **Proceeds**—For repayment of loans and working capital. **Office**—640 W. 134th St., New York. **Underwriter**—Brand, Grumet & Seigel, Inc., New York.

General Forms, Inc. (9/20)
Aug. 15, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Proceeds**—For repayment of loans, plant improvements, equipment and working capital. **Office**—7325 Northwest 43rd St., Miami. **Underwriter**—Equity Securities Co., New York.

★ General Indicator Corp.
Aug. 23, 1961 ("Reg. A") 30,000 6% cumulative preferred shares. **Price** — At par ($10). **Proceeds** — For working capital. **Office**—271 Madison Ave., N. Y. **Underwriter**—J. S. Strauss & Co., San Francisco.

General Kinetics Inc.
Aug. 7, 1961 filed 200,000 common shares. **Price** — By amendment. **Business** — The company conducts various activities within the fields of electronics, mechanical engineering, instrumentation and mathematics. **Proceeds**—For expansion. **Office** — 2611 Shirlington Road, Arlington, Va. **Underwriters**—Balogh & Co., Inc., Washington, D. C. and Irving J. Rice & Co., Inc., St. Paul, Minn.

General Plastics Corp. (9/18)
June 20, 1961 ("Reg. A") 60,000 common shares (par $1). **Price**—$5. **Proceeds**—For repayment of loans, inventory, equipment and working capital. **Office**—12414 Exposition Blvd., West Los Angeles, Calif. **Underwriters**—Pacific Coast Securities Co. and Sellgren, Miller & Co., San Francisco.

General Public Service Corp.
July 26, 1961 filed 3,947,795 common shares to be offered for subscription by stockholders on the basis of one new share for each two shares held. **Price**—By amendment. **Business**—A closed-end investment company. **Proceeds**—For investment. **Office**—90 Broad St., New York. **Underwriter** — Stone & Webster Securities Corp., New York (managing).

General Spray Service, Inc. (9/25-29)
June 23, 1961 filed 90,000 class A common shares and warrants to purchase 90,000 class A common shares to be offered in units, each unit consisting of one class A share and one two-year warrant. **Price**—$3.50 per unit. **Business** — The manufacture of a spraying machine. **Office**—156 Katonah Ave., Katonah, N. Y. **Underwriter**—Ross, Lyon & Co., Inc. & Glass & Ross, Inc., N. Y. (mgr.)

★ Georgia Power Co. (10/18)
Sept. 1, 1961 filed 70,000 shares of no par cumulative preferred stock. **Proceeds**—For construction and the repayment of loans. **Office**—270 Peachtree St., Atlanta, Ga. **Underwriters**—(Competitive). Probable bidders—First Boston Corp.; Lehman Brothers; Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co.; Equitable Securities Corp. **Bids**—Oct. 18 (11 a.m. EDST) at offices of Southern Services, Inc. (Room 1600), 250 Park Ave., N. Y. **Information Meeting**—Oct. 9 (2:30 p.m. EDST) at offices of Chemical Bank New York Trust Co. (10th floor), 30 Broad St., N. Y.

★ Georgia Power Co. (10/18)
Sept. 1, 1961 filed $10,000,000 of first mortgage bonds due Oct. 1, 1991. **Proceeds**—For construction and the repayment of loans. **Office**—270 Peachtree St., Atlanta, Ga. **Underwriters**—(Competitive). Probable bidders: Harriman Ripley & Co., Inc.; Lehman Brothers; Blyth & Co., Inc., Kidder, Peabody & Co., and Shields & Co. (jointly); First Boston Corp.; Morgan Stanley & Co.; Halsey, Stuart & Co.; Equitable Securities Corp., Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Oct. 18 (12 noon EDST) at offices of Southern Services, Inc. (Room 1600) 250 Park Ave., N. Y. **Information Meeting**—Oct. 9, (2:30 p. m. EDST) at offices of Chemical Bank New York Trust Co. (10th floor), 30 Broad St., N. Y.

Geoscience Instrument Corp.
June 22, 1961 ("Reg. A") 125,000 common shares (par one cent). **Price**—$1.25. **Business**—Preparation of minerals and metals for the electronic, metallurgical and geoscientific industries. **Proceeds** — For repayment of loans, purchase of equipment, expansion, working capital and other corporate purposes. **Office**—110-116 Beekman St., New York. **Underwriter** — First Philadelphia Corp., and Globus, Inc., New York. **Offering**—Imminent.

Gerber Scientific Instrument Co.
July 14, 1961 filed 78,000 common shares, of which 60,000 shares are to be offered by the company and 18,000 shares by the stockholders. **Price** — By amendment. **Business** — The manufacture of scientific instruments. **Proceeds**—For repayment of loans, expansion and working capital. **Office**—140 Van Block Ave., Hartford, Conn. **Underwriter**—Estabrook & Co., Boston, Mass.

Gilbert Youth Research, Inc. (9/11)
May 29, 1961 filed 65,000 shares of common stock, of which 50,000 shares are to be offered for public sale by the company and 15,000 outstanding shares by the present stockholder. **Price**—To be supplied by amendment. **Business** — The company conducts consumer research, does telephone sales promotion and prepares articles and books which are related to or relate to merchandising advice to the teenage youth and student fields. **Proceeds**—For working capital. **Office**—205 E. 42nd Street, New York City. **Underwriter**—McDonnell & Co., N. Y.

Girder Process, Inc.
July 21, 1961 filed 80,000 class A common shares. **Price**—$5.25. **Business**—The manufacture of adhesive bonding films and related products. **Proceeds**—For acquisition of a new plant, purchase and construction of new machinery and equipment, research and laboratory product development, sales program, advertising, working capital and other corporate purposes. **Office**—102 Hobart Street, Hackensack, N. J. **Underwriter**—Winslow, Cohu & Stetson, New York (managing).

Glenmore Distilleries Co.
Aug. 25, 1961 filed $7,500,000 of convertible subordinated debentures due 1981. **Price**—By amendment. **Business**—The production of alcoholic beverages. **Proceeds**—For repayment of loans. **Office**—660 Fourth St., Louisville. **Underwriter**—Glore, Forgan & Co., N. Y. C. (mgr.).

Glenn Pacific Corp.
July 27, 1961 filed 80,000 common shares. **Price**—$5. **Business**—The manufacture of power supplies for arc welding equipment. **Proceeds**—For repayment of a loan and working capital. **Office**—703—37th Ave., Oakland. **Underwriter**—Birr & Co., Inc., San Francisco.

Glickman Corp.
Aug. 3, 1961 filed 600,000 class A common shares. **Price**—By amendment. **Business**—Real estate. **Proceeds**—For investment. **Office**—501 Fifth Ave., New York. **Underwriters**—Bache & Co., and Hirsch & Co., N. Y. (mgr.)

Globe Coliseum, Inc.
July 21, 1961 ("Reg. A") 300,000 common shares. **Price**—At par ($1). **Proceeds**—For construction of a coliseum building, furnishings and incidental expenses. **Address**—c/o Fred W. Layman, 526 S. Center, Casper, Wyo. **Underwriter**—Northwest Investors Service, Inc., Billings, Mont.

Globe Rubber Products Corp.
Aug. 10, 1961 filed 175,000 common shares, of which 60,000 shares are to be offered by the company and 115,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of rubber floor mats, swim gear and household products. **Proceeds**—For repayment of loans and general corporate purposes. **Office**—418 W. Ontario Street, Philadelphia. **Underwriter**—Kidder, Peabody & Co., N. Y. (mgr.). **Offering**—Expected in late October.

● Gloray Knitting Mills, Inc.
June 30, 1961 filed 125,000 common shares. **Price**—By amendment. **Business** — The manufacture of boys and mens' knitted sweaters. **Proceeds**—For general corporate purposes. **Office**—Robesonia, Pa. **Underwriter**—Shields & Co., N. Y. (mgr.). **Offering**—Imminent.

Gluckin (Wm.) Co. Ltd.
Aug. 25, 1961 filed 175,000 common. **Price**—$10. **Business**—The manufacture of ladies' underclothing. **Proceeds**—For repayment of loans and general corporate purposes. **Office**—Bank of Bermuda Bldg., Hamilton, Bermuda. **Underwriter**—Globus, Inc., N. Y. C. (mgr.)

Golf Courses, Inc.
Aug. 28, 1961 filed 100,000 capital shares. **Price**—$6. **Business**—The company plans to operate a public golf course and a private country club. **Proceeds**—For purchase of land, construction and general corporate purposes. **Office**—1352 Easton Rd., Warrington, Bucks County, Pa. **Underwriter**—Metropolitan Securities, Inc., Philadelphia (mgr.)

● Gordon (I.) Realty Corp. (9/13)
June 20, 1961 filed 320,000 common shares. **Price**—$5. **Business**—Real estate investment. **Proceeds**—For general corporate purposes. **Office** — 112 Powers Bldg., Rochester, N. Y. **Underwriter**—George D. B. Bonbright & Co., Rochester, N. Y.

Green (Henry J.) Instruments, Inc.
Aug. 24, 1961 filed 140,000 common. **Price**—$2.25. **Business**—The manufacture of precision meteorological instruments. **Proceeds**—For repayment of loans, equipment, salaries and general corporate purposes. **Office**—2500 Shames Dr., Westbury, N. Y. **Underwriter**—N. A. Hart & Co., Inc., Bayside, N. Y. (mgr.).

Greene (M. J.) Co. (9/20)
June 14, 1961 ("Reg. A") 75,000 common shares (par 10 cents). Price—$4. Proceeds — For expansion, and working capital. Office—14 Wood St., Pittsburgh. Underwriter—Hess, Grant & Remington, Inc., Philadelphia.

Growth, Inc.
May 17, 1961 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Address**—Lynn, Mass. **Underwriter**—Mann & Creesy, Salem, Mass.

Growth Properties (9/18)
May 9, 1961 filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company plans to engage in all phases of the real estate business. **Proceeds** — To reduce indebtedness, construct apartment units, buy land, and for working capital. **Office**—Suite 418, Albert Bldg., San Rafael, Calif. **Underwriter**—Pacific Coast Securities Co., San Francisco, Calif. (managing).

★ **Gulf States Land & Industries, Inc.**
Aug. 29, 1961 filed 460,003 common to be offered for subscription by stockholders of Chemetals Corp., principal stockholder, on the basis of five shares for each $5 cumulative preferred share (par $10) and one share for each 3.2367 common shares of Chemetals held. **Price**—By amendment. **Business**—The exploration and development of oil and gas properties. **Office**—383 Madison Ave., N. Y. **Underwriter**—None.

Gulf States Utilities Co. (10/3)
Aug. 21, 1961 filed $15,000,000 of debentures due 1981. **Office**—285 Liberty Avenue, Beaumont, Texas. **Underwriters**—Competitive. Probable bidders: Salomon Brothers & Htuzler and Eastman Dillon, Union Securities & Co. (jointly); Lehman Brothers; Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc., and White, Weld & Co. (jointly); Stone & Webster Securities Corp. **Bids**—Oct. 3, 1961 at 11 a.m. **Information Meeting**—Sept. 28 (11 a.m. EDST) at 70 Broadway (18th floor) New York.

Guy's Foods, Inc. (10/23)
Aug. 2, 1961 filed 97,000 common shares (par $2). **Price**—$10. **Business**—The processing of foods. **Proceeds**—For purchase of buildings, equipment and additional inventories. **Office**—2215 Harrison, Kansas City, Mo. **Underwriter**—Allen & Co., New York (managing).

Haico Chemical Co.
Aug. 25, 1961 filed 225,000 common. **Price**—$2. **Business**—The manufacture of agricultural chemicals and related products. **Proceeds** — For general corporate purposes. **Office**—N. 14th St., and Lafayette Ave., Kenilworth, N. J. **Underwriters**—Ross, Lyon & Co., Inc., and Globus, Inc., N. Y. C. (co-mgrs.).

Hallmark Insurance Co., Inc.
Aug. 3, 1961 filed 225,000 common shares. **Price** — $3. **Business**—An insurance company. **Proceeds**—For capital and surplus. **Office**—636 S. Park St., Madison, Wis. **Underwriters**—Braun, Monroe & Co., Milwaukee and Harley, Haydon & Co., Inc., Madison.

Hamilton Electro Corp.
Aug. 9, 1961 filed 135,000 common shares, of which 80,000 shares are to be offered by the company and 55,000 shares by stockholders. **Price**—$7.50. **Business**—The distribution of solid state electronic parts and equipment. **Proceeds**—For inventory, new product lines, repayment of loans and working capital. **Office**—11965 Santa Monica Blvd., Los Angeles, Calif. **Underwriter** — William Norton Co., New York.

Hampton Sales Co., Inc.
July 27, 1961 filed 150,000 common shares. **Price**—$4. **Business**—The operation of real discount stores. **Proceeds**—For repayment of bank loans and working capital. **Office**—8000 Cooper Ave., Glendale, L. I. (Queens), N. Y. **Underwriter**—Godfrey, Hamilton, Magnus & Co., Inc., New York.

● **Handschy Chemical Co. (10/23-27)**
Aug. 25, 1961 filed 150,000 common, of which 50,000 are to be offered by the company and 100,000 by stockholders. **Price**—By amendment. **Business**—The manufacture of specialty printing inks, chemicals and supplies. **Proceeds**—For general corporate purposes. **Office**—2525 N. Elston Ave., Chicago. **Underwriter**—Blunt Ellis & Simmons, Chicago (mgr.)

Hannett Industries, Inc. (10/2-6)
Aug. 11, 1961 ("Reg. A") 100,000 common shares (par one cent). **Price**—$3. **Business**—The fabrication of components for missiles, jet engines, aircraft landing gears and precision machines. **Proceeds**—For machinery, research and development and working capital. **Office**—40 Sea Cliff Avenue, Glen Cove, N. Y. **Underwriter**—Albion Securities Co., Inc., New York.

Harmon (George) Co., Inc.
July 21, 1961 ("Reg. A") 62,500 common shares. **Price**—$4. **Proceeds**—For working capital, equipment, research and development, advertising, etc. **Office**—18141 Napa St., Northridge, Calif. **Underwriter**—Hamilton Waters & Co., Inc., Hempstead, N. Y.

Harn Corp. (9/18)
June 20, 1961 filed 150,000 common shares of which an undisclosed number will be offered by the company for subscription by stockholders and the balance (amounting to $300,000 after underwriting commissions) by a stockholder. **Price**—By amendment. **Business**—The manufacture of products for baby care such as quilts, pillows, knitted garments, etc. **Proceeds**—For the repayment of loans, purchase of raw materials and equipment, leasehold improvements, and working capital. **Office**—1800 E. 38th St., Cleveland. **Underwriter**—J. R. Williston & Beane, New York (managing).

Hawaiian Telephone Co.
Aug. 15, 1961 filed 782,144 common shares, of which 711,040 shares are to be offered for subscription by stockholders on the basis of one new share for each six shares held and 71,104 shares to be sold to employees. **Price**—By amendment. **Proceeds**—For working capital. **Office**—1130 Alakea St., Honolulu. **Underwriter**—Kidder, Peabody & Co., New York (managing).

Hawthorne Financial Corp.
Aug. 10, 1961 filed 33,117 capital shares. **Price**—By amendment. **Business**—A holding company for a savings and loan association and an insurance agency. **Proceeds**—For the selling stockholders. **Office**—305 S. Hawthorne Boulevard, Hawthorne, Calif. **Underwriter** — Crowell, Weedon & Co., Los Angeles.

● **Hexagon Laboratories, Inc. (9/25-29)**
July 20, 1961 filed $540,000 of 6% convertible subordinated debentures due 1976 and 90,000 common shares to be offered in units consisting of $300 of debentures and 50 common shares. **Price**—$500 per unit. **Business**—The manufacture of medicinal chemicals. **Proceeds**—For equipment, expansion, repayment of loans and working capital. **Office**—3536 Peartree Avenue, New York. **Underwriter**—Stearns & Co., New York (managing).

Hi-Shear Corp.
Aug. 1, 1961 filed 139,500 common shares, of which 105,000 will be sold by the company and 34,500 by stockholders. **Price**—By amendment. **Business**—The manufacture of high strength fastening devices and assembly systems for the aircraft and missile industries. **Proceeds**—For construction, repayment of loans and other corporate purposes. **Office** — 2600 W. 247th St., Torrance, Calif. **Underwriter**—William R. Staats & Co., Los Angeles.

Hilco Homes Corp. (9/18)
June 30, 1961 filed $650,000 of 6½% convertible subordinated debentures due 1979 and 195,000 common shares to be offered for public sale in 6,500 units, each consisting of one $100 debenture and 30 common shares. **Price**—By amendment. **Business**—The manufacture of pre-cut homes and components in the heating, plumbing and kitchen equipment fields. **Proceeds**—To organize a new finance subsidiary, for plant expansion, and for working capital. **Office**—70th St., and Essington Ave., Philadelphia. **Underwriter**—Rambo, Close & Kerner, Inc. Philadelphia.

Hoffman International Corp.
July 18, 1961 filed $1,890,700 7% convertible subordinated debentures due 1973 to be offered for subscription by stockholders on the basis of $100 of debentures for each 25 shares held. **Price**—At par. **Business**—The manufacture of pressing and dry-cleaning equipment. **Proceeds**—For repayment of loans and general corporate purposes. **Office**—107 Fourth Ave., New York. **Underwriter**—J. R. Williston & Beane, New York.

● **Hogan Faximile Corp. (10/2)**
July 26, 1961 filed 300,000 common shares. **Price** — By amendment. **Business**—The manufacture of electrolytic recording paper and equipment. **Proceeds**—For repayment of debt and working capital. **Office**—635 Greenwich St., New York. **Underwriter**—William R. Staats & Co., Los Angeles (managing).

● **Holly Stores, Inc. (9/25-29)**
July 28, 1961 filed 175,000 common shares, of which 100,000 shares are to be offered by the company and 75,000 shares by the stockholders. **Price**—By amendment. **Business**—The operation of a chain of women's and children's apparel stores. **Proceeds**—For land purchase, inventory and general corporate purposes. **Office**—115 Fifth Ave., N. Y. **Underwriter**—Allen & Co., N. Y. (managing).

Hollywood Artists Productions Inc.
July 28, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The production of motion picture and TV feature films. **Proceeds**—For repayment of loans, producers' fee, stories and working capital. **Office**—350 Lincoln Rd., Miami Beach, Fla. **Underwriter**—A. M. Shulman & Co., Inc., N.Y. 37 Wall St., N.Y.

Houston Corp. (9/18)
June 9, 1961 filed 583,334 common shares to be offered for subscription by holders of common and class A stock. **Price**—By amendment. **Business** — The operation of a pipe line system of natural gas. **Proceeds**—For expansion, working capital and general corporate purposes. **Office**—First Federal Bldg., St. Petersburg, Fla. **Underwriters**—Blyth & Co., Inc., Lehman Brothers and Allen & Co., New York.

★ **Hupp Systems, Inc.**
Aug. 28, 1961 ("Reg. A") 25,999 class A common. **Price**—At over-the-counter market price on the day preceding each sale. **Proceeds**—For the selling stockholders. **Office**—Commerce Center Industrial Park, Highway 301 N., Sarasota, Fla. **Underwriter**—Bayes, Rose & Co., Inc., N. Y.

★ **Hygrade Packaging Corp.**
Aug. 30, 1961 filed 100,000 class A. **Price**—By amendment. **Business**—The manufacture of paper cartons and boxes. **Proceeds**—For product development, expansion, repayment of a loan and working capital. **Office**—92-00 Atlantic Ave., Ozone Park, N. Y. **Underwriter**—P. J. Gruber & Co., Inc., N. Y. (mgr.).

Ihnen (Edward H.) & Son, Inc. (9/25-29)
May 16, 1961 filed 75,000 shares of common stock. **Price**—$5 per share. **Business**—The construction of public and private swimming pools and the sale of pool equipment. **Proceeds**—To reduce indebtedness, to buy equipment, and for working capital. **Office**—Montvale, N. J. **Underwriter**—Amos Treat & Co., Inc., New York City.

Illinois Tool Works Inc.
July 12, 1961 filed 100,000 outstanding common shares (par $10). **Price**—By amendment. **Business**—The manufacture of metal and plastic fasteners, gear-cutting tools, measuring instruments, etc. **Proceeds**—For the selling stockholders. **Office**—2501 N. Keeler Ave., Chicago. **Underwriter**—White, Weld & Co., New York (managing). **Offering**—Expected in early September.

● **Income Planning Corp. (9/20)**
Dec. 29, 1960 (letter of notification) 5,000 shares of cumulative preferred stock (no par) and 10,000 shares of class A common stock (par 10 cents) to be offered in units consisting of one share of preferred and two shares of common. **Price** — $40 per unit. **Proceeds** — To open a new branch office, development of business and for working capital. **Office**—3300 W. Hamilton Boulevard, Allentown, Pa. **Underwriter**—Espy & Wanderer, Inc., Teaneck, N. J.

Industrial Electronic Hardware Corp. (9/18-22)
June 29, 1961 filed $1,000,000 of 6% convertible subordinated debentures due Aug. 1, 1976 to be offered by the company and 25,000 outstanding common shares by the stockholders (par 50c). **Price**—For debentures—100%; For stock—By amendment. **Business**—The manufacture of basic component parts for the electrical and electronic equipment industry. **Proceeds**—For expansion, inventory, introduction of new products and general corporate purposes. **Office**—109 Prince Street, New York. **Underwriter**—S. D. Fuller & Co., New York (managing).

Industrial Engravers, Inc.
June 6, 1961 ("Reg. A") 120,000 common shares (par 10 cents). **Price**—$2. **Business**—The marking and fabrication for metal parts. **Proceeds**—For moving expenses, plant equipment, sales promotion and working capital. **Office** — 2212 McDonald Ave., Brooklyn, N. Y. **Underwriter**—A. J. Frederick Co., Inc., New York. **Note**—This company formerly was named Data Components, Inc. **Offering**—Imminent.

● **Industrial Gauge & Instrument Co., Inc. (9/18)**
June 28, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price** — $3. **Business** — The sale of industrial gauges, valves and allied products. **Proceeds**—For production, inventory, working capital and repayment of loans. **Office**—1403 E. 180th St., New York 69, N. Y. **Underwriter**—R. F. Dowd & Co., Inc., New York.

Industrionics Controls, Inc.
July 26, 1961 filed 84,000 common shares. **Price** — $5. **Business**—The manufacture of electronic controls for the monitoring of machinery. **Proceeds**—For repayment of a loan, purchase of raw material and equipment, advertising, establishment of a field engineering service organization and other corporate purposes. **Office**—20 Vandam St., N. Y. **Underwriter**—Jacey Securities Co., N. Y. (managing).

● **Instrument Systems Corp. (9/18-22)**
June 28, 1961 filed 150,000 common shares (par 25 cents). **Price**—$5. **Business**—The manufacture of precision instruments and controls for the aircraft and electronics industries. **Proceeds**—For expansion and working capital. **Office**—129-07 18th Avenue, College Point, N. Y. **Underwriters**—Milton D. Blauner & Co. (managing), M. L. Lee & Co., Inc., Lieberbaum & Co., New York.

● **Intercontinental Dynamics Corp. (9/15)**
July 18, 1961 ("Reg. A") 200,000 common shares. **Price**—$1.50. **Business**—The manufacture of electronic and electro-mechanical devices used to determine the accuracy of aircraft flight instruments. **Office**—170 Coolidge Avenue, Englewood, N. J. **Underwriter** — M. H. Woodhill Inc., New York.

★ **Interior Communications Systems, Inc.**
Aug. 25, 1961 ("Reg. A") 220,000 common. **Price**—$1.15 **Proceeds**—For establishment of a Chicago branch office and the purchase of inventories. **Office**—2430 Nicollet Ave., Minneapolis. **Underwriter**—McDonald, Anderson, Peterson & Co., Inc., Minneapolis.

★ **International House of Pancakes, Inc.**
Aug. 28, 1961 filed $600,000 of 6% convertible subordinated debentures due 1976 and 81,250 common. **Price**—By amendment. **Business**—The distribution of food items for restaurants. **Proceeds**—For expansion, repayment of loans and general corporate purposes. **Office**—6837 Lankershim Blvd., North Hollywood, Calif. **Underwriter**—L. F. Rothschild & Co., N. Y. (mgr.).

International Housing Corp.
Aug. 16, 1961 filed 440,000 common shares. **Price**—$1.15. **Business**—For construction and financing of shell homes. **Proceeds**—For working capital and general corporate purposes. **Office**—2101 N. E. Broadway, Minneapolis. **Underwriter**—Bratter & Co., Inc., Minneapolis.

International Management Corp.
Aug. 21, 1961 ("Reg. A") 100,000 common (par $1). **Price**—$3. **Proceeds**—For loans to subsidiaries and working capital. **Office**—7510 B. Granby St., Norfolk, Va. **Underwriter**—J. B. McLean & Co., Inc., Norfolk, Va.

Interstate Bowling Corp.
July 25, 1961 filed 150,000 common shares. **Price**—$3.50. **Business** — The acquisition and operation of bowling centers in Colorado, California and other states. **Proceeds**—For repayment of debts and general corporate purposes. **Office** — 10391 Magnolia Ave., Riverside, Calif. **Underwriter**—Currier & Carlsen, Inc., Los Angeles.

Interstate Fire & Casualty Co.
Aug. 25, 1961 filed 100,000 common. **Price**—By amendment. **Business**—The writing of general insurance. **Office**—501 Livingston Bldg., Bloomington, Ill. **Underwriter**—White, Weld & Co., N. Y. C. (mgr.)

Israel-America Hotels, Ltd. (9/11-15)
June 8, 1961 filed 1,250,000 ordinary shares. **Price**—$1 per share, payable in cash or State of Israel bonds. **Business**—The operation of hotels. **Proceeds**—For construction and operation of a hotel at Herzlia, Israel. **Address**—Tel Aviv, Israel. **Underwriter**—Brager & Co., N. Y.

Ivest Fund, Inc.
Feb. 20, 1961 filed 150,000 shares of common stock. **Price**—Net asset value at the time of the offering. **Business**—A non-diversified, open-end investment company, whose stated objective is capital appreciation. **Proceeds**—For investment. **Office** — One State Street, Boston. **Underwriter**—Ivest, Inc., One State Street, Boston. **Offering**—Expected in September.

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● James Vending Machine Co., Inc.
Aug. 11, 1961 ("Reg. A") 100,000 common shares (par 10c). **Price**—$3. **Business**—The sale, servicing and operation of vending machines. **Proceeds** — For purchase of trucks, development and general corporate purposes. **Office**—5523 Illinois Ave., N. W., Washington 11, D. C. **Underwriter**—Mitchell, Carroll & Co., Inc., 1101 Connecticut Ave., N. W., Washington, D. C.

● Jarrell-Ash Co.
Aug. 17, 1961 filed 60,000 class A common shares and 9,000 outstanding voting trust certificates (representing beneficial interest in 9,000 class B common shares). **Price**—By amendment. **Business**—The manufacture of optical instrumentation. **Proceeds**—For repayment of loans and working capital. **Office** — 7 Farwell St., Newtonville, Mass. **Underwriters**—Stearns & Co., New York and Clayton Securities Corp., Boston. **Offering**—Expected in early November.

Jayark Films Corp.
Aug. 24, 1961 filed 72,000 common, of which 50,000 are to be offered by the company and 22,000 by stockholders. **Price**—By amendment. **Business**—The distribution of motion picture and television films. **Proceeds**—For production of films and working capital. **Office**—15 E. 48th St., N. Y. **Underwriter**—Pacific Coast Securities Co., San Francisco.

Jefferson Growth Fund, Inc.
July 11, 1961 filed 1,000,000 shares of capital stock. **Price**—Net asset value plus 8½% sales commission. **Business**—A mutual fund. **Proceeds**—For investment. **Office**—52 Wall St., N. Y. **Underwriter**—Jefferson Distributors Corp., N. Y.

Jergens (Andrew) Co.
Aug. 3, 1961 filed 250,002 outstanding common shares. **Price**—By amendment. **Business**—The manufacture of toiletries. **Proceeds**—For the selling stockholders. **Office**—2535 Spring Grove Ave., Cincinnati. **Underwriter**—Hornblower & Weeks, New York (managing).

Jolyn Electronic Manufacturing Corp.
April 24, 1961 (letter of notification) 65,500 shares of common stock (par one cent). **Price** — $3 per share. **Business**—The manufacture of machine tool products, drift meters, sextants and related items. **Proceeds**—For repayment of a loan, working capital, and general corporate purposes. **Office**—Urban Avenue, Westbury, L. I., N. Y. **Underwriter**—Kerns, Bennett & Co., Inc., N. Y. **Offering**—Imminent.

★ Kaiser Electronics, Inc.
Aug. 22, 1961 ("Reg. A") 50,000 common. **Price**—$4.50. **Business** — The manufacture of electronic power conversion equipment. **Proceeds** — For repayment of loans, new products, equipment, inventory, sales promotion and working capital. **Office**—3 Monroe St., Union N. J. **Underwriter**—Schirmer, Atherton & Co., Boston.

Kaufman & Broad Building Co.
Aug. 11, 1961 filed 174,500 common shares, of which 124,500 shares are to be offered by the company and 50,000 shares by stockholders. **Price**—By amendment. **Business**—The construction and sale of low-priced homes. **Proceeds**—For repayment of loans and working capital. **Office**—18610 W. Eight Mile Road, Southfield, Mich. **Underwriter**—Bache & Co., New York (managing).

Keller Corp. (10/16)
June 29, 1961 filed $1,200,000 of 6½% convertible subordinated debentures due 1968. **Price**—At 100%. **Business**—The development of land, construction of homes and related activities in Florida. **Proceeds**—For repayment of debt, acquisition of Yetter Homes, Inc., and general corporate purposes. **Office**—101 Bradley Place, Palm Beach, Fla. **Underwriter**—Casper Rogers & Co., Inc., New York (managing).

● Kent Dry Cleaners, Inc. (11/2)
Aug. 25, 1961 filed 165,000 common, of which 45,000 are to be offered by the company and 120,000 by stockholders. **Price**—$5. **Business**—The dry cleaning and storage of clothes. **Proceeds**—For working capital and general corporate purposes. **Office** — 1745 Clintonville St., Whitestone (Queens) N. Y. **Underwriter**—Arnold Malkan & Co., Inc., N. Y. C.

Kent Washington, Inc.
July 19, 1961 filed 200,000 common shares. **Price**—$5. **Business**—General real estate. **Proceeds**—For repayment of loans, working capital, construction and other corporate purposes. **Office**—1420 K Street, N. W., Wash., D. C. **Underwriter**—Modgdon & Co., Inc., Wash., D. C.

Kentucky Central Life & Accident Insurance Co.
Aug. 16, 1961 filed 400,000 class A non-voting common shares, of which 200,000 shares are to be offered by the company and 200,000 shares by stockholders. **Price**—From $13 to $17 per share. **Proceeds**—To increase capital and surplus. **Address**—Anchorage, Ky. **Underwriter**—Stifel, Nicolaus & Co., St. Louis (managing).

Keystone Alloys Co.
Aug. 10, 1961 filed 42,000 common shares. **Price**—By amendment. **Business** — The manufacture of aluminum siding and doors and accessories. **Proceeds**—For acquisitions and repayment of loans. **Office**—511 Mellon Bank Building, Latrobe, Pa. **Underwriter**—Singer, Deane & Scribner, Pittsburgh (managing).

Keystone Steel & Wire Co.
Aug. 23, 1961 filed $20,000,000 of convertible subordinated debentures due 1981. **Price**—By amendment. **Business**—The production of steel. **Proceeds**—For the repayment of debt and working capital. **Office**—Peoria, Ill. **Underwriters**—Hornblower & Weeks and Eastman Dillon, Union Securities & Co. (co-mgrs.) **Offering**—Expected in early October.

King's Office Supplies & Equipment, Inc.
July 5, 1961 ("Reg. A") 65,000 common shares (par $1). **Price**—$2. **Proceeds**—For inventory and working capital. **Office**—515-5th St., Santa Rosa, Calif. **Underwriter** — Pacific Coast Securities Co., San Francisco.

Kronfeld (Phil), Inc.
July 28, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price**—$4. **Business**—The operation of men's retail stores. **Proceeds**—For a new store, working capital and general corporate purposes. **Office** — 201 W. 49th St., N. Y. **Underwriter**—Kerns, Bennett & Co., Inc., N. Y.

Kulicke & Soffa Manufacturing Co.
Aug. 15, 1961 filed 122,980 common shares, of which 100,000 shares are to be offered by the company and 22,980 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of machinery for production of transistors and similar devices. **Proceeds**—For payment of taxes, new products, down payment on a new plant and general corporate purposes. **Office**—401 N. Broad St., Philadelphia. **Underwriter**—Marron, Sloss & Co., Inc., New York (managing).

L. L. Drug Co., Inc.
July 26, 1961 filed 100,000 common shares. **Price**—$4.50. **Business** — The manufacture or pharmaceuticals. **Proceeds**—For repayment of a loan, purchase of equipment, research and development, advertising and working capital. **Office**—1 Bala Ave., Bala-Cynwyd, Pa. **Underwriter**—Stevens Investment Co., Bala-Cynwyd, Pa.

★ Lance, Inc.
Aug. 30, 1961 filed 364,000 common. **Price**—By amendment. **Business**—The manufacture of peanut butter filled delicacies. **Proceeds**—For the selling stockholders. **Office**—1304 S. Blvd., Charlotte, N. C. **Underwriter**—R. S. Dickson & Co., Charlotte, N. C. (mgr.).

Lee Filter Corp.
July 7, 1961 ("Reg. A") 1,334 capital shares (par $1). **Price**—$7.25. **Business**—The manufacture of air, oil and gasoline filters for vehicles. **Proceeds**—For the selling stockholders. **Office**—191 Talmadge Road, Edison, N. J. **Underwriter**—Omega Securities Corp., N. Y. (mgr.)

Lewis & Clark Marina, Inc. (9/25-29)
May 9, 1961 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Address**—Yankton, S. D. **Underwriter** — The Apache Investment Planning Division of the Apache Corp., Minneapolis.

Lewis (Tillie) Foods, Inc. (9/11-15)
July 3, 1961 filed 400,000 common shares (par $1), of which 200,000 shares are to be offered by the company and 200,000 shares by stockholders. **Price**—By amendment. **Business**—The processing, canning, bottling and selling of fruits and vegetables. **Proceeds**—For repayment of debt and working capital. **Office**—Fresno Ave. & Charter Way, Stockton, Calif. **Underwriter**—Van Alstyne, Noel & Co., New York (managing).

★ Lexington Trots Breeders Association
Aug. 28, 1961 ("Reg. A") 30,000 common (no par) of which 15,000 shares are to be offered for subscription by stockholders and the remaining 15,000 shares will be sold to the public. **Price**—$10. **Proceeds**—For development of a race track. **Office**—Nelms Ave., Lexington, Ky. **Underwriter**—None.

Libby International Corp.
Aug. 3, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The distribution of tractors and farm equipment manufactured by Kramer-Werke, a German company. **Proceeds** — For repayment of loans, inventory and working capital. **Office**—325 W. Houston Street, New York. **Underwriter**—Tau Inc., New York.

★ Lido Corp.
Aug. 29, 1961 ("Reg. A") 84,000 common. **Price**—$3.25. **Business**—The manufacture of toys, games and novelties. **Proceeds**—For new equipment, advertising, and repayment of loans. **Office**—349 Rider Ave., Bronx 51, N. Y. **Underwriter**—Flomenhaft, Seidler & Co., Inc., N. Y.

Lincoln Fund, Inc. (9/18)
March 30, 1961 filed 951,799 shares of common stock. Price — Net asset value plus a 7% selling commission. Business — A non-diversified, open-end, management-type investment company whose primary investment objective is capital appreciation and, secondary, income derived from the sale of put and call options. Proceeds—For investment. Office—300 Main St., New Britain, Conn. Distributor—Horizon Management Corp., New York.

Liverpool Industries, Inc. (9/13)
Aug. 1, 1961 "Reg. A" 85,700 common shares (par 10 cents). **Price** — $3.50. **Business** — The manufacture of precision parts for the aircraft and electronic industries. **Proceeds**—For sales promotion and working capital. **Office**—162 57th Street, Brooklyn, N. Y. **Underwriter**—Arden Perin & Co., Inc., New York.

★ London House Associates
Sept. 5, 1961 filed $415,000 limited partnership units. **Price**—$10,000 per unit. **Business**—Real estate. **Proceeds**—For purchase of London Guarantee Building in Chicago. **Office**—10 E. 44th St., N. Y. **Underwriter**—None.

Londontown Manufacturing Co.
Aug. 8, 1961 filed 150,000 common shares. **Price** — By amendment. **Business**—The manufacture of rainwear and golf jackets. **Office**—3600 Clipper Mill Road, Baltimore. **Underwriter**—Alex. Brown & Sons, Baltimore.

Long Falls Realty Co.
July 21, 1961 filed $1,708,500 of limited partnership interests. **Price**—$5,000 per interest. **Business**—General real estate. **Proceeds**—For investment. **Office**—18 E. 41st St., N. Y. **Underwriter**—Tenney Securities Corp., N. Y.

● Long Island Bowling Enterprises, Inc.
May 24, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). Price—$3 per share. Business—The operation of bowling alleys. Proceeds—For general corporate purposes. **Address**—Mattituck, L. I., N. Y. **Underwriter** — Trinity Securities Corp., N. Y. C. **Offering**—Imminent.

Long-Lok Corp.
July 26, 1961 ("Reg. A") 100,000 capital shares (no par). **Price**—$3. **Proceeds**—For a new subsidiary, machinery repayment of a loan and working capital. **Office**—4101 Redwood Ave., Los Angeles. **Underwriter**—Rutner, Jackson & Gray, Inc., Los Angeles.

● Longs Drug Stores, Inc. (10/9-13)
Aug. 24, 1961 filed 190,000 outstanding common. **Price**—By amendment. **Business**—The company operates a chain of drug stores in California and Hawaii. **Proceeds**—For the selling stockholders. **Office**—5301 Broadway, Oakland, Calif. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc. N. Y. C. (mgr.).

Lortogs, Inc.
July 26, 1961 filed 200,000 common shares, of which 150,000 shares are to be offered by the company and 50,000 shares by the stockholders. **Price**—$6.50. **Business**—The manufacture of children's sportswear. **Proceeds**—For repayment of loans; inventories; new products; working capital, and general corporate purposes. **Office**—85 Tenth Ave., New York. **Underwriter**—Reich & Co., New York (managing).

Lowe's Companies, Inc. (9/18)
July 28, 1961 filed 388,250 common shares. **Price**—By amendment. **Business**—The retail and wholesale distribution of building supplies, household fixtures and appliances, etc. **Proceeds** — For the selling stockholders. **Address**—North Wilkesboro, N. C. **Underwriter**—G. H. Walker & Co., Inc., New York (managing).

★ Lunar Enterprises, Inc.
Aug. 31, 1961 filed 125,000 common. **Price**—$5.75. **Business**—The production of television films. **Proceeds**—For filming and production and working capital. **Office**—1501 Broadway, N. Y. **Underwriter**—Ehrlich, Irwin & Co., Inc., Great Neck, N. Y.

★ Lusk Corp.
Aug. 30, 1961 filed $1,250,000 of 6½% convertible subordinated debentures due 1971, 200,000 common and 5-year warrants to purchase 50,000 common to be offered in 50 units each consisting of $25 of debentures, 4 common and one warrant. **Price**—By amendment. **Business**—Development of residential communities. **Proceeds**—For working capital and general corporate purposes. **Office**—6910 E. Broadway, Tucson. **Underwriter**—Burnham & Co., N. Y. (mgr.).

Lytton Financial Corp.
March 30, 1961 filed 300,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The company owns the stocks of several California savings and loan associations. It also operates an insurance agency, and through asubsidiary, Title Acceptance Corp., acts as trustee under trust deeds securing loans made by the associations. **Proceeds**—To repay loans and for working capital. **Office**—8150 Sunset Blvd., Hollywood, Calif. **Underwriter**—William R. Staats & Co., Los Angeles and Shearson, Hammill & Co., N. Y. C. (mgr.) **Note**—This offering is being withdrawn.

M P I Glass Fibers, Inc. (9/18)
April 27, 1961 (letter of notification) 150,000 shares of common stock (par one cent). Price—$2 per share. Business—The manufacture of a new patented fiber glass material to be used in rocket motor cases. Proceeds—For expenses, equipment and working capital. Office—1025 Shoreham Bldg., Washington, D. C. Underwriter—Atlantic Equities Co., Washington, D. C. **Note**—This company formerly was named Industrial Materials, Inc.

MacLevy Associates, Inc.
July 20, 1961 ("Reg. A") 150,000 common shares (par one cent). **Price**—$2. **Business**—The distribution of health, exercise and slenderizing equipment. **Proceeds**—For repayment of loans, equipment, new products, sales promotion and advertising, plant removal and working capital. **Office**—189 Lexington Ave., N. Y. 16, N. Y. **Underwriter**—Continental Bond & Share Corp., Maplewood, N.J.

Mag-Tronics Corp.
July 17, 1961 ("Reg. A") 250,000 common shares (par 10 cents). **Price**—$1.15. **Proceeds**—For inventory, equipment and working capital. **Office**—2419 Hiawatha Ave., Minneapolis. **Underwriter**—Craig-Hallum Kinnard, Inc., Minneapolis.

● Magazines For Industry, Inc. (10/16-20)
Aug. 2, 1961 filed 135,000 common shares. **Price** — By amendment. **Business**—The publishing of business periodicals. **Proceeds**—For promotion, a new publication and working capital. **Office**—660 Madison Ave., New York. **Underwriter**—S. D. Fuller & Co., N. Y. (mgr.)

Magnetic Metals Co.
July 28, 1961 filed 151,200 common shares. **Price**—By amendment. **Business** — The manufacture of magnetic components used in the electrical and electronics industries. **Proceeds**—For the selling stockholders. **Office**—Hayes Avenue at 21st Street, Camden, N. J. **Underwriter**—Butcher & Sherrerd, Philadelphia (managing).

Mairs & Power Income Fund, Inc. (9/18)
June 7, 1961 filed 40,000 common shares. **Price** — By amendment. **Business**—A mutual fund. **Proceeds** — For investment. **Office**—1002 First National Bank Bldg., St. Paul, Minn. **Underwriter**—None.

Major Finance Corp.
Aug. 18, 1961 filed $200,000 of 7% senior subordinated debentures due 1971 (with attached warrants) and 100,000 common shares to be offered in units consisting of $100 debenture (with a warrant to purchase one common share at $4) and 50 common shares. **Price**—$300 per unit. **Business**—Consumer finance. **Proceeds**—For working capital. **Office**—912 Thayer Ave., Silver Spring, Md. **Underwriter**—Manhattan Eastern Corp., N. Y. (mgr.)

★ Malone & Hyde, Inc.
Sept. 1, 1961 filed 275,000 common, of which 100,000 are to be offered by the company and 175,000 by the stockholders. **Price**—By amendment. **Business**—The procurement, warehousing and sale of groceries, meats, produce, etc., to retail grocers. **Proceeds**—For working capital. **Office**—1700 Dunn Ave., Memphis, **Underwriter**—Equitable Securities Corp., Nashville (mgr.).

March Dynamics Inc.
Aug. 28, 1961 filed 125,000 common. **Price**—$2.50. **Business**—The manufacture of mechanical and electro-mechanical components. **Proceeds** — For equipment and working capital. **Office**—920 S. Oyster Bay Rd., Hicksville, N. Y. **Underwriter**—Paul Eisenberg & Co., N. Y. C.

Marine Structures Corp.
Feb. 1, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds**—To purchase raw materials, advertising and for working capital. **Office**—204 E. Washington St., Petaluma, Calif. **Underwriter**—Grant, Fontaine & Co., Oakland, Calif.

● Mark Truck Rental Corp.
June 28, 1961 ("Reg. A") 50,000 common shares (par one cent). **Price**—$1. **Proceeds**—For working capital. **Office**—301 Cliff Ave., Scranton, Pa. **Underwriter**—Vickers Securities Corp., N. Y. **Offering**—Imminent.

Marks Polarized Corp. (9/25-29)
June 27, 1961 filed 95,000 common shares. **Price** — By amendment. **Proceeds** — For expansion, acquisition of new facilities and other corporate purposes. **Office**—153-16 Tenth Ave., Whitestone, N. Y. **Underwriters**—Ross, Lyon & Co., Inc. (mgr.), Glass & Ross, Inc., and Globus, Inc., N. Y. C.

Marlene Industries Corp.
Aug. 29, 1961 filed 225,000 common, of which 150,000 are to be offered by the company and 75,000 by stockholders. **Price**—$7. **Business**—The manufacture of ladies' wear. **Proceeds**—For working capital. **Office**—141 W. 36th St., N.Y.C. **Underwriter**—Bernard M.Kahn&Co., Inc., N.Y.C.

● Marshall Industries (10/16-20)
Aug. 4, 1961 filed 131,305 common shares to be offered for subscription by stockholders on the basis of one new share for each four shares held. **Price**—By amendment. **Business** — The manufacture of electronic components and instruments primarily for space and missile applications. **Proceeds**—For repayment of debt and advances to subsidiaries. **Office**—2065 Huntington Dr., San Marino, Calif. **Underwriters**—William R. Staats & Co., Los Angeles and Shearson, Hammill & Co., N. Y. (mgr.)

Master Craft Medical & Industrial Corp.
July 10, 1961 filed ("Reg. A") 75,000 common shares. **Price**—$4. **Business**—The manufacture of medical and industrial plastic devices. **Proceeds**—For general corporate purposes. **Office**—95-01 150th Street, Jamaica 35, N. Y. **Underwriter**—Sulco Securities, Inc., N. Y. C.

McAlester Aircraft, Inc.
Aug. 15, 1961 ("Reg. A") 25,000 class A common shares (par $1). **Price**—$10. **Proceeds**—For research, engineering, production and working capital. **Office**—2801 S. Air Depot Boulevard, Midwest City, Okla. **Underwriter**—Honnold & Co., Inc., Oklahoma City.

★ McIntosh (J. R. C.), Inc.
Aug. 22, 1961 ("Reg. A") 150,000 common. **Price**—$2. **Proceeds**—For repayment of loans, tools and equipment, sales promotion and working capital. **Office**—1 McIntosh Lane, El Dorado, Calif. **Underwriters**—Walter C. Gorey Co., San Francisco and Beckman & Co., Inc., Lodi, Calif.

Medco, Inc.
July 13, 1961 filed 125,000 class A common shares. **Price**—By amendment. **Business**—The operation of jewelry concessions in closed-door membership department stores. **Proceeds**—For expansion. **Office**—1211 Walnut St., Kansas City, Mo. **Underwriters**—Barret, Fitch, North & Co., Inc. (managing) and Midland Securities Co., Inc., Kansas City, Mo.

★ Metal Bellows Corp.
Sept. 1, 1961 filed 140,000 common, of which 120,000 are to be offered by the company and 20,000 by a stockholder. **Price**—By amendment. **Business**—The manufacture of welded diaphragm bellows. **Proceeds**—For moving expenses and working capital. **Office**—27 Mica Lane, Wellesley, Mass. **Underwriter**—Estabrook & Co., Boston.

Met Food Corp.
Aug. 25, 1961 filed 150,000 common. **Price**—$4. **Business**—The distribution of food to retail stores in New York City. **Proceeds**—For general corporate purposes. **Office**—345 Underhill Blvd., Syosset, N. Y. **Underwriter**—Brand, Grumet & Seigel, Inc., N. Y. C. (mgr.)

Micro-Lectric, Inc. (9/11-15)
June 12, 1961 ("Reg. A") 55,000 common shares (par 10 cents). **Price**—$4. **Business**—The manufacture and design of potentiometers used in computers, ground control guidance systems and missiles. **Proceeds**—For tooling and production; repayment of loans; equipment; advertising; research and development and working capital. **Office**—19 Debevoise Avenue, Roosevelt, N. Y. **Underwriter**—Underhill Securities Corp., New York.

Micro-Precision Corp. (9/25)
July 28, 1961 ("Reg. A") 100,000 common shares (par 20 cents). **Price**—$3. **Business**—The development and manufacture of language laboratories for the electronics educational field and the manufacture of electronic and micro-wave components. **Proceeds**—For expansion and working capital. **Office**—55 Ninth St., Brooklyn, N. Y. **Underwriters** — Manufacturers Securities Corp., New York (managing); Bioren & Co., Boenning & Co., Philadelphia, Chace, Whiteside & Winslow, Inc., Draper, Sears & Co., and Schirmer, Atherton & Co., Boston.

Middle Atlantic Credit Corp. (9/25)
July 27, 1961 filed $120,000 of 6½% subordinated debentures due 1971 and 60,000 common shares to be offered in units consisting of $200 of debentures and 100 shares of stock. **Price**—$500 per unit. **Business**—A commercial and industrial finance company. **Proceeds**—For working capital. **Office**—1518 Walnut St., Philadelphia. **Underwriters**—R. L. Scheinman & Co., and A. W. Benkert & Co., Inc., New York.

Middle Atlantic Investment Co. (9/25)
June 22, 1961 filed 70,000 common shares. **Price**—$10. **Business**—An investment company. **Proceeds**—For investment and working capital. **Address**—Elkins Park, Pa. **Underwriter**—Best & Garey Co., Inc., Wash., D. C.

Midwest Investors Fund, Inc.
July 17, 1961 filed 5,000,000 common shares. **Price**—By amendment. **Business**—A mutual fund. **Proceeds**—For investment. **Office** — 1815 First National Bank Bldg., Minneapolis. **Underwriter** — Midwest Planned Investments, Inc., Minneapolis.

Midwest Technical Development Corp. (9/25-29)
July 14, 1961 filed 800,000 common shares. **Price**—By amendment. **Business** — A small business investment company. **Proceeds**—For investment. **Office**—2615 First National Bank Bldg., Minneapolis. **Underwriters** — Lee Higginson Corp., New York and Piper, Jaffray & Hopwood, Minneapolis.

Midwestern Financial Corp.
Aug. 28, 1961 filed 260,000 common, of which 75,000 are to be offered by the company and 185,000 by stockholders. **Price**—By amendment. **Business**—A holding company for savings and loan associations, mortgage companies, a manufacturing company, a small business investment company, etc. **Proceeds**—For repayment of debt. **Office**—2011-13th St., Boulder, Colo. **Underwriters**—Boettcher & Co. and Bosworth, Sullivan & Co., Inc., Denver (co-mgrs.)

Milo Components, Inc.
Aug. 15, 1961 ("Reg. A") 170,000 class A shares (par 10 cents). **Price**—$1. **Business**—The manufacture of precision components, assemblies for aircraft, armaments, computers, floor waxers and industrial vacuum cleaners. **Proceeds** — For equipment, research and development, repayment of loans and working capital. **Office** — 9 Cleveland Street, Valley Stream, N. Y. **Underwriter**—Nelson Securities, Inc., Hempstead, N. Y.

Miner Industries, Inc.
Aug. 10, 1961 filed 120,000 common shares. **Price**—$4.50. **Business**—The manufacture of toys. **Proceeds**—For new products, advertising and working capital. **Office**—430 Southern Boulevard, New York. **Underwriters**—Golkin, Bomback & Co. and Oppenheimer & Co., New York.

● Minichrome, Inc. (10/2)
June 16, 1961 ("Reg. A") 150,000 common shares (par 15 cents). **Price**—$1.15. **Proceeds**—For film processing machines, machinery installation and working capital. **Office**—980 W. 79th St., Minneapolis, Minn. **Underwriter**—Continental Securities, Inc., Minneapolis, Minn.

Minuit Investing Corp.
Aug. 4, 1961 ("Reg. A") 28,000 shares of 80 cents cumulative, participating preferred stock (par $1). **Price**—$10. **Business**—An investment company. **Proceeds**—For acquisitions, working capital and general corporate purposes. **Office**—225 Broadway, New York 7, N. Y. **Underwriter** — Pine Tree Securities, Inc., 225 Broadway, New York 7, N. Y.

★ Miss Pat
Aug. 31, 1961 filed 100,000 outstanding common. **Price**—By amendment. **Business**—The manufacture of women's apparel. **Proceeds**—For the selling stockholders. **Office**—860 S. Los Angeles St., Los Angeles. **Underwriter**—Mitchum, Jones & Templeton, Los Angeles (mgr.).

Missile-Tronics Corp.
May 8, 1961 (letter of notification) 151,900 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Business**—The manufacturers of technical equipment. **Proceeds** — For payment of loans; machinery and office equipment; reduction of current liabilities; research and development and working capital. **Office**—245 4th St., Passaic, N. J. **Underwriter** — Hopkins, Calamari & Co., Inc., 26 Broadway, N. Y. **Offering**—Imminent.

● Missouri Fidelity Life Insurance Co. (9/18-22)
July 14, 1961 filed 200,000 common shares. **Price**—By amendment. **Business**—A life insurance company. **Proceeds**—To be added to capital and surplus accounts. **Office**—4221 Lindell Blvd., St. Louis. **Underwriter**—A. C. Allyn & Co., Chicago (managing).

● Missouri Utilities Co.
July 3, 1961 filed 50,676 common being offered for subscription by stockholders on the basis of one new for each 10 held of record Sept. 1, with rights to expire Sept. 20. **Price**—$22. **Proceeds**—For repayment of loans and for expansion. **Address**—Cape Girardeau, Mo. **Underwriter**—Edward D. Jones & Co., St. Louis Mo.

Mite Corp. (9/29)
June 23, 1961 filed 325,000 capital shares. **Price**—By amendment. **Business**—The manufacture of mechanical, electro-mechanical and electronic equipment, including sewing machine attachments, small electric motors, Polaroid Land cameras, etc. **Proceeds**—For equipment, repayment of loans; research, development and engineering and general corporate purposes. **Office**—446 Blake St., New Haven, Conn. **Underwriters**—Kidder, Peabody & Co., New York and Charles W. Scranton & Co., New Haven, Conn. (managing).

Mobile Estates, Inc.
June 27, 1961 filed 140,000 common shares. **Price**—$6. **Proceeds**—To purchase land, construct and develop about 250 mobile home sites, form sales agencies and for working capital. **Office**—26 Dalbert, Carteret, N. J. **Underwriter**—Harry Odzer Co., New York (managing).

● Mohawk Insurance Co.
Aug. 8, 1960, filed 75,000 shares of class A common stock. **Price**—$12 per share. **Proceeds**—For general funds. **Office**—198 Broadway, New York City. **Underwriter**—R. F. Dowd & Co., Inc., 39 Broadway, New York 6, N. Y. **Note**—This registration may be withdrawn.

★ Molecular Dielectrics, Inc.
Sept. 1, 1961 filed 150,000 common, of which 135,000 are to be offered by the company and 15,000 by Cardia Co. **Price**—$5. **Business**—The manufacture of high-temperature electronic and electrical insulation materials. **Proceeds**—For equipment, a new product and working capital. **Office**—101 Clifton Blvd., Clifton, N. J. **Underwriters**—Street & Co., Inc. and Irving Weis & Co., N. Y. (mgrs.).

Mon-Art, Inc. (9/29)
June 26, 1961 ("Reg. A") 60,000 convertible preferred shares. **Price**—At par ($5). **Business**—The manufacture of mosaic tile kits. **Proceeds**—For retirement of debt, increase of inventory and purchase of equipment. **Office**—1548 E. Grand Blvd., Detroit. **Underwriter** — Davis, Rowady & Nichols Inc., Detroit.

Mon-Dak Feed Lot, Inc.
July 17, 1961 filed 150,000 common shares. **Price**—$3. **Business**—The breeding of livestock owned by others. **Proceeds**—For drilling of water test wells, purchase of land, construction, general administrative costs and working capital. **Address**—Glendive, Mont. **Underwriter**—Wilson, Ehli, Demos, Bailey & Co., Billings, Mont.

Monmouth Capital Corp.
Aug. 1, 1961 filed 200,000 shares of capital stock. **Price**—$10. **Business** — A small business investment company. **Office**—First National Bank Bldg., Main St., Freehold, N. J. **Underwriter**—Meade & Co., New York.

Monmouth Electric Co., Inc.
Aug. 28, 1961 filed 200,000 common, of which 125,000 are to be offered by the company and 75,000 by stockholders. **Price**—$6. **Business**—The manufacture of electronic and electro-mechanical equipment. **Proceeds**—For new machinery, repayment of loans and working capital. **Office**—1802 Corliss Ave., Neptune, N. J. **Underwriters**—Cruttenden, Podesta & Co., Chicago and Spear, Leeds & Kellogg, N. Y. C.

Monticello Lumber & Mfg. Co., Inc.
April 11, 1961 letter of notification) 75,000 of common stock (par 10c). **Price**—$4 per share. **Business**—The sale of lumber, building supplies and hardware. **Proceeds**—To repay loans and for working capital. **Address**—Monticello, N. Y. **Underwriter**—J. Laurence & Co., Inc., New York, N. Y.

★ Morgan-Wightman Supply Co.
Aug. 24, 1961 ("Reg. A") 25,000 common to be offered first to employees, then to the public. **Price**—$10. **Proceeds**—For retirement of outstanding 8% debentures and working capital. **Office**—9910 Page Blvd., St. Louis. **Underwriter**—None.

Motor Coils Manufacturing Co.
July 27, 1961 filed 100,000 common shares. **Price**—$6.50. **Business**—The manufacture of armature, stator and field coils. **Proceeds**—For repayment of loans, working capital and general corporate purposes. **Office**—110 Thirty-Second St., Pittsburgh. **Underwriter**—Golkin, Bomback & Co., New York.

Mountain Fuel Supply Co. (9/12)
Aug. 7, 1961 filed $18,000,000 of debentures due Sept. 1, 1986. **Price**—By amendment. **Proceeds**—For repayment of loans and general corporate purposes. **Office**—180 E. First South St., Salt Lake City, Utah. **Underwriter**—First Boston Corp., New York (managing).

● Movie Star, Inc. (9/25-29)
Aug. 9, 1961 filed 200,000 class A shares. **Price** — By amendment. **Business** — The manufacture of women's clothing. **Proceeds**—For general corporate purposes. **Office**—392 Fifth Avenue, New York. **Underwriter**—Milton D. Blauner & Co., Inc., New York (managing).

Municipal Investment Trust Fund, First Pa. Series
April 28, 1961 filed $6,375,000 (6,250 units) of interests. **Price**—To be supplied by amendment. **Business**—The fund will invest in tax-exempt bonds of the Commonwealth of Pennsylvania and its political sub-divisions. **Proceeds**—For investment. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York City. **Offering**—Expected in early September.

Municipal Investment Trust Fund, Series B
April 28, 1961 filed $12,750,000 (12,500 units) of interests. **Price** — To be supplied by amendment. **Business** — The fund will invest in tax-exempt bonds of states, counties, municipalities and territories of the U. S. **Proceeds**—For investment. **Sponsor**—Ira Haupt & Co., 111 Broadway, New York City. **Offering**—Expected in early September.

Murray Magnetics Corp. (10/16-20)
Aug. 15, 1961 filed 150,000 common shares. **Price**—$6. **Business**—The financing, exploitation and sale of a new line of electric kitchen and household appliances. **Proceeds**—For the purchase of inventory, sales promotion and working capital. **Office**—230 Fifth Ave., New York. **Underwriter**—Amos Treat & Co., Inc., New York.

NAC Charge Plan and Northern Acceptance Corp. (9/18)
June 27, 1961 filed 33,334 class A common shares. **Price**—By amendment. **Proceeds**—For working capital. **Office**—16 East Pleasant St., Baltimore, Md. **Underwriter**—Sade & Co., Washington, D. C. (managing).

Narrow Fabric Co.
Aug. 18, 1961 filed 212,000 common shares, of which 75,000 shares are to be offered by the company and 137,000 shares by stockholders. **Price**—By amendment.

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Business — The manufacture of braided, woven and knitted fabrics and production of coated and processed papers. **Proceeds** — For repayment of loans, expansion and working capital. **Office**—7th and Reading Aves., West Reading, Pa. **Underwriter**—Drexel & Co., Philadelphia (mgr.).

National Bowling Lanes, Inc.
July 21, 1961 filed 200,000 capital shares. **Price**—$5.50. **Business**—The operation of bowling centers. **Proceeds**—For expansion, repayment of loans, and working capital. **Office** — 220 S. 16th Street, Philadelphia. **Underwriter**—Edward Lewis & Co., Inc., New York.

• National Cleaning Contractors, Inc. (9/18-22)
July 19, 1961 filed 200,000 outstanding common shares. **Price** — By amendment. **Business** — The maintenance of commercial buildings. **Proceeds**—For the selling stockholders. **Office**—60 Madison Avenue, New York. **Underwriter**—Bear, Stearns & Co., New York (managing).

National Hospital Supply Co., Inc.
June 22, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The distribtuion of medical supplies. **Proceeds**—For inventory, advertising and promotion, expansion, repayment of loans and working capital. **Office**—38 Park Row, New York. **Underwriters**—Edward Lewis & Co., Inc. and Underhill Securities Corp., New York (co-managers).

★ National Industries, Inc.
Aug. 25, 1961 ("Reg. A") 50,000 common. **Price**—$6. **Proceeds** — For equipment, inventory and operating expenses. **Office**—1622 Chestnut St., Philadelphia. **Underwriter**—Mayo & Co., Inc., Philadelphia.

• National Periodical Publications, Inc. (9/13)
July 18, 1961 filed 500,000 common shares (par $1). **Price** — By amendment. **Business** — Publishers of magazines and paperback books. **Proceeds**—For the selling stockholders. **Office**—575 Lexington Avenue, New York. **Underwriters** — Shearson, Hammill & Co., New York and Prescott, Shepard & Co., Inc., Cleveland (managing).

• National Semiconductor Corp. (9/25-29)
May 11, 1961 filed 75,000 shares of capital stock. **Price**—To be supplied by amendment. **Business**—The design, development, manufacture and sale of quality transistors for military and industrial use. **Proceeds** — For new equipment, plant expansion, working capital, and other corporate purposes. **Office**—Mallory Plaza Bldg., Danbury, Conn. **Underwriters**—Lee Higginson Corp., N. Y. C. and Piper, Jaffray & Hopwood, Minneapolis (mgr.).

Natpac Inc. (10/25)
July 28, 1961 filed 100,000 common shares. **Price**—$4.75. **Business**—The processing of meat and frozen food products; the financing, sale and servicing of home food freezers, and the operation of a supermarket. **Proceeds**—For consumer time payments, expansion, and working capital. **Office** — 93-25 Rockaway Blvd., Ozone Park, N. Y. **Underwriters**—William, David & Motti, Inc., and Flomenhaft, Seidler & Co., Inc., New York.

New West Land Corp.
June 30, 1961 ("Reg. A") 200,000 common shares (par $1). **Price**—$1.50. **Proceeds**—For repayment of notes and acquisition of real estate interests. **Office**—3252 Broadway, Kansas City, Mo. **Underwriter** — Barret, Fitch, North & Co., Kansas City, Mo.

• Nitrogen Oil Well Service Co.
May 22, 1961 filed 100,000 shares of common stock. **Prices**—$10 per share for 51,000 shares to be offered to Big Three Welding Company; $10 per share for not less than 24,500 shares to be offered to holders (other than Big Three) of the outstanding common on the basis of one new share for each 1⅛ shares held; and $10.60 per any unsubscribed shares. **Business**—The company furnishes high pressure nitrogen to the oil and gas industry. **Proceeds**—For general corporate purposes, including $880,000 for the purchase of 20 additional liquid nitrogen high pressure pumping units. **Office**—3602 W. 11th St., Houston, Texas. **Underwriter** — Underwood, Neuhaus & Co., Inc., Houston, Texas.

North Carolina Natural Gas Corp.
Aug. 17, 1961 filed $2,250,000 of convertible second mortgage pipeline bonds due 1981. **Price** — By amendment. **Proceeds**—For repayment of loans, working capital and general corporate purposes. **Office** — Grace Fittman Bldg., Fayetteville, N. C. **Underwriters**—To be named.

• Northern Indiana Public Service Co. (10/3)
Aug. 28, 1961 filed $20,253,300 of convertible debentures due Oct. 18, 1976 to be offered for subscription by stockholders on the basis of $100 of debentures for each 44 common held of record Sept. 29, with rights to expire Oct. 18. **Price**—At par. **Proceeds**—For working capital and construction. **Office**—5265 Hohman Ave., Hammond, Ind. **Underwriter** — (Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; White, Weld & Co.; Equitable Securities Corp.; Eastman Dillon, Union Securities & Co., Lehman Brothers and Bear, Stearns & Co. (jointly); Dean Witter & Co., Blyth & Co., Inc., and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Kuhn, Loeb & Co. and American Securities Corp. (jointly). **Bids**—Expected Oct. 3 at 11 a.m. (CDST) at office of Continental Illinois National Bank & Trust Co. (Room 5A), 231 So. La Salle St., Chicago.

• Nuclear Corp. of America (10/2-6)
Aug. 11, 1961 filed 536,280 outstanding shares of capital stock to be offered publicly and $2,087,800 of 5½% convertible subordinated debentures due 1976 to be offered for subscription by stockholders on the basis of $100 of debentures for each 300 shares held. **Price**—(Stock) By amendment. (Debentures) At par. **Business**—The refining of rare earths and the manufacture of radiation instruments and vacuum tubes. **Proceeds**—For repayment of loans and working capital. **Office**—3540 W. Osborn Road, Phoenix. **Underwriter** — Bear, Stearns & Co., New York (managing).

NuTone, Inc. (9/18-22)
July 17, 1961 filed 375,000 outstanding common shares. **Price**—By amendment. **Business**—The manufacture of household appliances. **Proceeds**—For the selling stockholders. **Office**—Madison & Red Bank Roads, Cincinnati. **Underwriter**—Kidder, Peabody & Co., N. Y. (mgr.)

Oceanic Instruments, Inc.
Aug. 24, 1961 filed 140,000 common. **Price**—$1. **Business**—The company plans to manufacture scientific marine instruments and provide consultation services. **Proceeds**—For organizational expenses and purchase of equipment. **Office**—1515 Norton Bldg., Seattle. **Underwriter**—Globus, Inc., N. Y.

• Old Empire, Inc. (10/2-6)
May 1, 1961 filed $800,000 of convertible subordinated debentures due 1971. **Price** — At par. **Business** — The manufacture, packaging and distribution of cosmetics, pharmaceuticals and household, chemical and industrial specialties. **Proceeds**—For the repayment of bank loans, property improvements and working capital. **Office**—865 Mt. Prospect Avenue, Newark, N. J. **Underwriter**—Laird, Bissell & Meeds, New York City.

Olson Co. of Sarasota, Inc. (9/18-22)
April 26, 1961 ("Reg. A") 59,000 common shares (par $1). **Price**—$5. **Business**—The manufacture of marine supplies and electronic equipment. **Proceeds**—To repay loans, purchase raw materials and equipment and increase working capital. **Address**—P. O. Box 2430, Sarasota, Fla. **Underwriter**—Jay Morton & Co., Inc., Sarasota (mgr.).

★ Olympia Mines
Sept. 1, 1961 filed 300,000 capital shares. **Price**—$1.35. **Business**—The exploration and development of mines. **Proceeds**—For mining operations. **Office**—44 Court St., Brooklyn, N. Y. **Underwriter**—Gaumont Corp., Ltd.

Orbit Industries, Inc.
Aug. 22, 1961 filed 125,000 common shares. **Price**—$4. **Business** — Research, development, engineering and manufacturing in the telephone, electronics and related fields. **Proceeds**—For repayment of loans, and equipment. **Office**—213 Mill St., N. E., Vienna, Va. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

Orbit Instrument Corp.
Aug. 29, 1961 filed 100,000 capital shares. **Price**—$4. **Business** — The production of miniature precision electromechanical components. **Proceeds**—For new equipment, products, expansion and repayment of loans. **Office**—131 Elaine Way, Syosset, N. Y. **Underwriter**—Hardy & Co., N. Y. C. (mgr.).

★ Originala Inc.
Aug. 29, 1961 filed 150,000 common. **Price**—$9.25. **Business**—The manufacture of women's coats. **Proceeds**—For the selling stockholders. **Office**—512 Seventh Ave., N. Y. **Underwriters** — Globus, Inc., and Divine & Fishman, Inc., N. Y.

• Orion Electronics Corp.
Aug. 28, 1961 filed 100,000 common. **Price**—$3.50. **Business**—The manufacture of precision electronic sub-systems. **Proceeds**—For expansion, equipment and working capital. **Address**—Tuckahoe, N. Y. **Underwriter**—A. D. Gilhart & Co., Inc., N. Y. C.

Ormont Drug & Chemical Co., Inc.
May 2, 1961 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—Manufacturers of drugs. **Proceeds**—For expansion, and working capital. **Office**—38-01 23rd Ave., Long Island City, N. Y. **Underwriter**—Havener Securities Corp., New York, N. Y. **Offering**—Imminent.

Osrow Products Co., Inc.
July 28, 1961 ("Reg. A") 60,000 common shares (par 10 cents). **Price**—$5. **Business**—The manufacture of car and window washing equipment. **Proceeds**—For working capital, research and development, new products and general corporate purposes. **Office**—115 Hazel Street, Glen Cove, L. I., N. Y. **Underwriter**—General Securities Co., Inc., New York.

★ Pacific Gas & Electric Co. (9/26)
Sept. 1, 1961 filed $60,000,000 of first and refunding mortgage bonds series GG due 1993. **Proceeds**—For construction. **Office**—245 Market St., San Francisco. **Underwriters**—(Competitive) Probable bidders: First Boston Corp. and Halsey, Stuart & Co. Inc. (jointly) and Blyth & Co., Inc., N. Y. **Bids**—Expected Sept. 26.

Pacific Northwest Bell Telephone Co. (9/20)
Aug. 25, 1961 filed 17,459,490 outstanding common (par $11) to be offered for subscription by stockholders of Pacific Telephone & Telegraph Co., parent. Each shareholder of the latter firm will be given an assignable warrant evidencing the right to purchase the stock on the basis of one right for each common held and seven rights for each preferred held. The record date will be Sept. 20 and the rights expiration date Oct. 20. **Price**—Six rights plus $16 per share. **Business**—The company furnishes telephone service in Washington, Oregon and northern Idaho. **Proceeds**—For the selling stockholder—Pacific Telephone & Telegraph Co. **Office**—1200 Third Ave., Seattle, Wash. **Underwriter**—None.

Pacific States Steel Corp.
June 21, 1961 filed 100,000 outstanding shares of capital stock (par 50 cents) to be sold by stockholders. **Price**—$6. **Business**—The manufacture of steel products. **Proceeds**—For the selling stockholder. **Office**—35124 Alvarado-Niles Road, Union City, Calif. **Underwriters**—First California Co., Inc., and Schwabacher & Co., San Francisco (mgr.) **Note**—Issue has been temporarily postponed.

Pakco Management & Development Co.
Aug. 25, 1961 filed 310,000 common. **Price**—$11. **Business**—The large scale production of blueberries, cranberries, etc. **Proceeds**—For repayment of loans, property improvements and general corporate purposes. **Office**—104 Bellevue Ave., Hammonton, N. J. **Underwriter**—Woodcock, Moyer, Fricke & French, Philadelphia (mgr.).

Pan-Alaska Fisheries, Inc.
July 26, 1961 filed 120,000 common shares. **Price** — By amendment. **Business** — The processing of Alaska king crab. **Proceeds**—For acquisition of fishing boats, equipment and working capital. **Office**—Dexter Horton Bldg., Seattle. **Underwriter**—Robert L. Ferman & Co., Inc., New York (managing).

• Panoramic Electronics, Inc. (10/2-6)
Aug. 17, 1961 filed 120,000 common shares, of which 90,000 shares are to be offered by the company and 30,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of electronic test measurement and monitoring instruments. **Proceeds**—For acquisition of property and construction of a new plant, laboratory, equipment and working capital. **Office**—520 S. Fulton Ave., Mount Vernon, New York. **Underwriter**—Hayden, Stone & Co., New York (managing).

Paragon Pre-Cut Homes, Inc.
Aug. 25, 1961 filed $1,000,000 of 15-year sinking fund debentures due 1976 (with warrants attached) and 100,000 common to be offered in 10,000 units each consisting of 10 common and $100 of debentures. **Price**—By amendment. **Business**—The packaging and direct sale of precut home building materials. **Proceeds**—For repayment of loans and working capital. **Office**—499 Jericho Turnpike, Mineola, N. Y. **Underwriter**—L. F. Rothschild & Co., N. Y. C. (mgr.).

• Pargas, Inc. (9/18-22)
Aug. 3, 1961 filed 150,000 common shares, of which 75,000 will be sold by the company and 75,000 by a stockholder. **Price**—By amendment. **Business** — The sale of liquified petroleum gas and equipment. **Proceeds**—For general corporate purposes. **Office**—Waldorf, Md. **Underwriter**—Kidder, Peabody & Co., Inc., N. Y. (mgr.)

Parish (Amos) & Co., Inc. (9/18)
June 23, 1961 filed 208,000 outstanding common shares. **Price**—By amendment. **Business**—Business advisors and consultants to specialty and department stores. **Proceeds**—For the selling stockholders. **Office**—500 Fifth Avenue, New York. **Underwriter**—The James Co., New York

Patent Resources, Inc. (9/18-22)
May 24, 1961 filed 150,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company was organized in November 1960 to acquire, exploit and develop patents, and to assist inventors in developing and marketing their inventions. **Proceeds**—For general corporate purposes. **Office** — 608 Fifth Ave., New York City. **Underwriters**—Darius, Inc., New York (managing); N. A. Hart & Co., Bayside, N. Y., and E. J. Roberts & Co., Inc., Ridgewood, N. J.

• Pavelle Corp. (10/16-20)
Aug. 22, 1961 filed 200,000 common shares. **Price**—By amendment. **Business**—Research and development in the field of color photography and the manufacture of commercial color photographic processing equipment. **Proceeds**—For expansion, research and repayment of loans. **Office**—Time & Life Bldg., Rockefeller Center, New York. **Underwriter**—Bear, Stearns & Co., New York.

Pellegrino Aggregate Technico, Inc.
Aug. 10, 1961 filed 130,000 class A common shares. **Price**—$5. **Business**—The manufacture of building materials. **Proceeds**—For payment of income taxes and loans and for working capital. **Office**—Woodbridge-Carteret Road, Port Reading, N. J. **Underwriter**—Mortimer B. Burnside & Co., Inc., New York

• Photo-Animation, Inc. (9/25)
July 26, 1961 filed 150,000 common shares. **Price**—$1.25. **Business**—The manufacture of machines, equipment and devices used in the creation of animated motion pictures. **Proceeds**—For development of new products, repayment of loans and working capital. **Office** — 34 S. West St., Mount Vernon, N. Y. **Underwriter**—First Philadelphia Corp., New York.

Photographic Assistance Corp.
June 27, 1961 filed 150,000 common shares. **Price**—$1. **Proceeds**—For expansion, equipment and working capital. **Office**—1335 Gordon St., S. W., Atlanta, Ga. **Underwriters**—Globus, Inc., and Harold C. Shore & Co., Inc. N. Y.

Pickwick International, Inc. (10/25)
July 27, 1961 filed 100,000 common shares. **Price** — $3. **Business**—The distribution of phonograph records. **Proceeds**—For advertising and promotion, merchandising, repayment of loans, additional personnel, working capital and other corporate purposes. **Office** — 8-16 43rd Ave., Long Island City, N. Y. **Underwriter**—William, David & Motti, Inc., New York.

Pickwick Recreation Center, Inc.
April 21, 1961 (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—To pay for construction, working capital and, general corporate purposes. **Office**—921-1001 Riverside Drive, Burbank, Calif. **Underwriter**—Fairman & Co., Los Angeles, Calif. **Offering**—Expected in September.

Pictorial Production Inc.
Aug. 29, 1961 filed 149,178 common, of which 25,000 are to be offered by the company and 124,178 by stockholders. **Price**—$10. **Business**—Research, development and production in the field of lenticular optics. **Proceeds**—For construction and equipment. **Office**—60 Kingsbridge Rd., E. Mt. Vernon, N. Y. **Underwriter**—C. E. Unterberg, Towbin Co., N. Y. C (mgr.).

Pioneer Astro Industries, Inc. (10/2-6)
July 27, 1961 filed 150,000 common shares. **Price** — By amendment. **Business** — The manufacture of precision machined components and assemblies for missile guidance systems. **Proceeds** — For a new plant, additional

equipment and working capital. **Office**—7401 W. Lawrence Ave., Chicago. **Underwriter**—Francis I. du Pont & Co., New York (managing).

Plasticon Corp. (9/25-29)
May 8, 1961 filed 665,666 shares of common stock, of which 90,666 shares are to be publicly offered, 25,000 shares are to be offered to Leyghton-Paige Corp., 150,000 shares are to be offered to Leyghton-Paige stockholders on the basis of one Plasticon share for each three Leyghton-Paige shares held, and 400,000 shares are to be offered to holders of the company's $1,200,000 of 5% promissory notes. **Price** — $3 per share, in all cases. **Business**—The manufacture of large plastic containers. **Proceeds**—To discharge the indebtedness represented by Plasticon's 5% promissory notes, with the balance for more equipment and facilities. **Office** — Minneapolis, Minn. **Underwriter**—None.

Plast-O-Tron, Inc.
Aug. 17, 1961 ("Reg. A") 66,666 common (par 1c). **Price** — $3. **Business** — The manufacture of thermoforming machinery for production of plastic bubbles for packaging and the manufacture of plastic products. **Proceeds**—For inventory, development of new products, equipment, working capital and general corporate purposes. **Office**—60 Park Pl., Newark, N. J. **Underwriter**—E. A. Le Vay & Co., N. Y. C.

Playskool Manufacturing Co.
Aug. 11, 1961 filed 135,000 common shares, of which 60,000 shares are to be offered by the company and 75,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of toys. **Proceeds**—For repayment of loans. **Office**—3720 North Kedzie Avenue, Chicago. **Underwriter**—Lehman Brothers, New York.

★ Plymouth Discount Corp.
Aug. 28, 1961 ("Reg. A") 100,000 common. **Price**—$3. **Business**—Consumer sales financing. **Proceeds**—For repayment of notes and working capital. **Office** — 2211 Church Ave., Brooklyn, N. Y. **Underwriter**—M. Posey Associates, Ltd., 50 Broadway, N. Y.

Polytronic Research, Inc. (9/18)
June 7, 1961 filed 193,750 common shares, of which 150,000 will be sold for the company and 43,750 for stockholders. **Price**—By amendment. **Business**—Research and development, engineering and production of certain electronic devices for aircraft, missiles, oscilloscopes, electronic vending machines and language teaching machines. **Proceeds**—For expansion, repayment of debt and working capital. **Office**—7326 Westmore Rd., Rockville, Md. **Underwriters**—Jones, Kreeger & Co., and Balogh & Co., Washington, D. C. (managing).

Precision Circuits, Inc.
July 20, 1961 ("Reg. A") 260,000 common shares (par 10 cents). **Price**—$1.15. **Proceeds**—For a new building, equipment and working capital. **Office**—2532-25th Ave., S., Minneapolis. **Underwriter**—Naftalin & Co., Inc., Minneapolis.

Precision Microwave Corp. (10/16-20)
Aug. 21, 1961 filed 165,000 common shares, of which 115,000 shares are to be offered by the company and 50,000 shares by stockholders. **Price**—$10. **Business**—The manufacture of specialized microwave components for radar, missiles and communication systems. **Proceeds**—For working capital, inventories and equipment. **Office**—Main Street, Millis, Mass. **Underwriter**—Peter Morgan & Co., New York.

Preco Industries, Inc.
Aug. 25, 1961 filed 100,000 common. **Price**—$4. **Business**—The sale of custom built swimming pools. **Proceeds**—For repayment of loans and working capital. **Office**—203 Bala Ave., Bala Cynwyd, Pa. **Underwriter**—Dean Samitas & Co., N. Y. C. (mgr.).

Premier Albums, Inc.
July 31, 1961 filed 120,000 common shares. **Price**—$5. **Business**—The manufacture of long-playing stereophonic and monaural phonograph records. **Proceeds**—For acquisition of facilities, marketing of new stereophonic records and working capital. **Office**—356 W. 40th St., New York. **Underwriter**—Gianis & Co., New York.

President Airlines, Inc.
June 13, 1961 ("Reg. A") 150,000 class A common shares (par one cent). **Price**—$2. **Business**—Air transportation of passengers and cargo. **Proceeds**—For payment of current liabilities and taxes; payment of balance on CAB certificate and working capital. **Office** — 630 Fifth Avenue, Rockefeller Center, N. Y. **Underwriter**—Continental Bond & Share Corp., Maplewood, N. J.

Prevor-Mayrsohn International, Inc.
July 31, 1961 ("Reg. A") 80,000 common shares (par 10 cents). **Price**—$3.75. **Business**—Export, import, brokerage and wholesale marketing of fruits, vegetables and poultry. **Proceeds**—For expansion, sales promotion, advances to growers, working capital and general corporate purposes. **Office** — 99 Hudson Street, New York. **Underwriter**—J. J. Krieger & Co., Inc., New York.

★ Pride Industries, Inc.
Aug. 29, 1961 filed 75,000 common. **Price**—$5. **Business**—The sale of pet foods. **Proceeds**—For inventory, repayment of a loan, machinery, new products, advertising, sales promotion, and working capital. **Office**—4408 Fairmount Ave., Philadelphia. **Underwriter**—Steven Investment Corp., Bala Cynwyd, Pa.

Producing Properties, Inc.
Aug. 17, 1961 filed 600,000 common shares. **Price**—By amendment. **Business**—The acquisition and operation of oil properties. **Proceeds**—For working capital. **Office**—35th floor Southland Center, Dallas. **Underwriter**—Hemphill, Noyes & Co., New York (managing).

Product Research of Rhode Island, Inc.
July 28, 1961 filed 330,000 common shares. **Price**—$2.05. **Business** — The manufacture of vinyl plastic products used in the automotive, marine and household fields. **Proceeds**—For repayment of debt, new equipment and working capital. **Office** — 184 Woonasquatucket Avenue, Nort Providence, R. I. **Underwriter**—Continental Bond & Share Corp., Maplewood, N. J. **Offering**—Expected in late October.

★ Programs For Television, Inc.
Aug. 29, 1961 filed 150,000 common. **Price**—By amendment. **Business** — The distribution of films for motion pictures and television. **Proceeds**—For repayment of debt and working capital. **Office**—1150 Avenue of the Americas, N. Y. **Underwriter**—To be named.

Progress Industries, Inc.
June 26, 1961 filed 75,000 common shares (with warrants) of which 55,000 shares will be sold by the company and 20,000 by stockholders. **Price**—$10. **Proceeds**—For the payment of debt, the establishment of a new subsidiary, plant improvements and working capital. **Office**—400 E. Progress St., Arthur, Ill. **Underwriter**—Tabor & Co., Decatur, Ill. (managing).

Progressitron Corp.
June 9, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—Manufacturers of electronic, electro mechanical and mechanical devices. **Proceeds**—For general corporate purposes. **Office**—14-25 128th St., College Point, N. Y. **Underwriter**—Netherlands Securities Co., New York.

Public Service Co. of Colorado (10/2)
Aug. 25, 1961 filed $30,000,000 of first mortgage bonds due 1991. **Office**—900 15th St., Denver, Colo. **Underwriters**—(Competitive). Probable bidders: Halsey, Stuart & Co. Inc.; Harriman Ripley & Co., Inc., Eastman Dillon, Union Securities & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., and Dean Witter & Co. (jointly); Kidder, Peabody & Co. and White, Weld & Co. (jointly); Blyth & Co., Inc., and Smith, Barney & Co. (jointly); Lehman Brothers and First Boston Corp. (jointly). **Bids**—Oct. 2, 1961, 11:30 a.m. (EDST) at the office of Morgan Guaranty Trust Co., 54 Liberty St. (6th fl.), N. Y. **Information Meeting**—Sept. 28, 10 a.m. (EDST) at above office of Morgan Guaranty Trust Co. (Mezzanine B).

Publishers Co., Inc.
Aug. 29, 1961 filed $1,200,000 of 6% subordinated convertible debentures due 1967. **Price**—At par. **Business**—The publishing of books. **Proceeds**—For redemption of outstanding 12% debentures due 1965 and for expansion. **Office**—1106 Connecticut Ave., N.W., Washington, D.C. **Underwriter**—Roth & Co., Inc., Philadelphia.

• Publishers Vending Services, Inc. (9/25-29)
July 3, 1961 filed $600,000 of 5½% convertible subordinated debentures due 1971; 120,000 common shares which underlie 2-year first warrants exercisable at $7.50 per share, and 120,000 common shares which underlie 5-year second warrants, exercisable at $10 per share. The securities are to be offered for public sale in units of one $100 debenture, 20 first warrants and 20 second warrants. **Price**—$100 per unit. **Business**—The design, manufacture, sale and leasing of coin-operated vending machines for magazines, newspapers and paperback books. **Proceeds**—For the repayment of debt, advertising, sales promotion, and the manufacture of new machines. **Office**—1201 South Clover Drive, Minneapolis. **Underwriter**—D. H. Blair & Co., New York.

• Rabin-Winters Corp. (9/11)
June 19, 1961 filed 180,000 common shares of which 80,000 shares are to be offered by the company and 100,000 shares by stockholders. **Price**—By amendment. **Business**—The manufactuer of pharmaceuticals, cosmetics, lighter fluid and related items. **Proceeds**—To repay loans and for working capital. **Office**—700 N. Sepulveda Boulevard, El Segundo, Calif. **Underwriter**—H. Hentz & Co., New York.

★ Ragen Precision Industries, Inc.
Aug. 31, 1961 filed 100,000 common. **Price**—By amendment. **Business** — The manufacture of precision parts, components, assemblies and subassemblies for the business machine, electronic and aircraft industries. **Proceeds** For equipment, repayment of loans and general corporate purposes. **Office**—9 Porette Ave., North Arlington, N.J. **Underwriter**—Marron, Sloss & Co., Inc., N.Y. (mgr.).

Raymond Engineering Laboratory, Inc.
Aug. 15, 1961 filed 100,000 common shares, of which 50,000 shares are to be offered by the company and 50,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of timing devices, accelerometers and related equipment for missiles, satellites and space vehicles. **Proceeds**—For repayment of loans, equipment, and working capital. **Office**—Smith Street, Middletown, Conn. **Underwriter** — Lee Higginson Corp., New York (mgr.). **Offering**—Expected in early October.

Real Properties Corp. of America
July 25, 1961 filed 365,000 class A shares. **Price**—$10. **Business**—A real estate investment company. **Office**—1451 Broadway, New York. **Underwriter**—Stanley Heller & Co., New York City (managing).

Realtone Electronics Corp.
Aug. 16, 1961 filed 100,000 common shares. **Price**—$4. **Business** — The marketing of transistorized radios and related equipment. **Proceeds**—Repayment of loans and general corporate purposes. **Office**—71 Fifth Ave., New York. **Underwriter** — Lieberbaum & Co., New York (mgr.). **Offering**—Expected in early October.

Red Rope Stationery Industries, Inc.
Aug. 23, 1961 filed 160,000 common. **Price**—$3.50. **Business**—The manufacture of stationery supplies. **Proceeds**—For working capital, equipment, expansion and repayment of debt. **Office**—70 Washington St., Brooklyn, N. Y. **Underwriter**—George, O'Neill & Co., Inc., N. Y. (mgr.).

Redman Manufacturing & Engineering Co.
Aug. 9, 1961 filed 70,000 common shares, of which 35,000 shares are to be offered by the company and 35,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of moulds used by the plastic and container and packaging industry. **Proceeds**—For repayment of loans, equipment, working capital and a new plant. **Office**—1630 Oakland, Kansas City, Mo. **Underwriter**—Stern Brothers & Co., Kansas City, Mo. (mgr.)

• Reeves Broadcasting & Development Corp. (9/18-22)
June 16, 1961 filed $2,500,000 of convertible debentures. **Price**—At par. **Business**—The operation of TV stations and recording studios and the development of real estate properties in North Carolina. **Proceeds**—For expansion, the repayment of loans, for working capital and other corporate purposes. **Office**—304 E. 44th St., New York. **Underwriter**—Laird & Co., Corp., Wilmington, Del. (mgr.)

Regal Homes, Inc.
Aug. 15, 1961 filed 51,000 capital shares. **Price**—$12. **Business**—For construction and sale of "shell" homes and mortgage financing. **Proceeds**—For working capital. **Address**—Hopkinsville, Ky. **Underwriter**—J. J. B. Hilliard & Sons, Louisville.

Reher Simmons Research Inc. (9/25)
May 8, 1961 filed 150,000 shares of capital stock. **Price**—$6 per share. **Business**—The research and development of processes in the field of surface and biochemistry. **Proceeds**—For plant construction, equipment, research and development, sales promotion and working capital. **Office**—545 Broad St., Bridgeport, Conn. **Underwriter**—McLaughlin, Kaufmann & Co., (managing).

Rexach Construction Co., Inc.
July 28, 1961 filed $1,500,000 of 6½% sinking fund debentures (with warrants) due 1976 and 105,000 outstanding common shares. **Price**—By amendment. **Business**—The construction of highways, buildings and homes. **Proceeds**—For repayment of a loan, purchase of stock in Puerto Rico Aggregates Co., and working capital. **Address**—San Juan, Puerto Rico. **Underwriters** — P. W. Brooks & Co., Inc., New York and CIA Financiera de Inversiones, Inc., San Juan (managing).

• Riverview ASC, Inc. (10/2-6)
May 18, 1961 ("Reg. A") 100,000 common shares. **Price**—$3. **Business**—Real estate and utility development in Florida. **Proceeds** — For expansion. **Office** — 2823 So. Washington Ave., Titusville, Fla. **Underwriter** — Albion Securities Co., Inc., New York.

• Ro Ko, Inc. (10/16)
Aug. 7, 1961 filed 120,000 class A common shares. **Price**—$5. **Business**—The manufacture of stuffed toys. **Proceeds**—For down payments on the purchase of buildings, equipment and expansion. **Office**—3115 E. 12th St., Kansas City, Mo. **Underwriters**—Midland Securities Co., Inc., and George K. Baum & Co., Kansas City, Mo. (mgr.)

Robins Industries Corp.
July 27, 1961 filed 100,000 common shares. **Price**—$2.50. **Business**—The manufacture of products in the electronic sound and recording field. **Proceeds**—For repayment of a loan, moving expenses, research and development, tooling, advertising and working capital. **Office** — 36-27 Prince St., Flushing, N.Y. **Underwriter**—Carroll Co., N.Y.

• Rocky Mountain Natural Gas Co., Inc. (9/25-29)
July 10, 1961 filed $1,500,000 of sinking fund debentures due 1981 (with attached warrants) and 150,000 common shares to be offered in 75,000 units, each consisting of $20 of debentures (with an attached warrant) and two common shares. **Price**—By amendment. **Proceeds**—For construction and general corporate purposes. **Office**—1726 Champa St., Denver. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York (managing).

Roddy Recreation Products, Inc.
July 31, 1961 ("Reg. A") 100,000 common shares (par $1). **Price**—$3. **Proceeds**—For repayment of debt. **Office**—1526 W. 166th St., Gardena, Calif. **Underwriter**—Harbison & Henderson, Los Angeles.

• Rodney Metals, Inc. (9/11-15)
June 30, 1961 filed 140,000 common shares. **Price**—$10. **Proceeds** — For the repayment of debt and other corporate purposes. **Office**—261 Fifth Ave., New York. **Underwriter**—Amos Treat & Co., Inc., N. Y. (mgr.)

Roph Associates, Inc.
Aug. 10, 1961 ("Reg. A") 75,000 common shares (par five cents). **Price**—$4. **Business**—The sale of freezers and food plans. **Proceeds**—For inventory, a food dept, advertising and promotion and general corporate purposes. **Office**—300 Northern Boulevard, Great Neck, N. Y. **Underwriter**—David Barnes & Co., Inc., New York.

• Ross Products, Inc.
July 14, 1961 filed 200,000 common shares, of which 100,000 shares are to be offered by the company and 100,000 shares by the stockholders. **Price**—By amendment. **Business**—The importing and distributing of general merchandise. **Proceeds**—For repayment of debt, expansion and general corporate purposes. **Office**—1107 Broadway, New York. **Underwriters**—Blair & Co. and F. L. Rossman & Co., New York.

Royal Land & Development Corp.
Aug. 2, 1961 filed 2,000,000 class A common shares. **Price**—$1. **Business** — General real estate and construction. **Proceeds**—For construction and general corporate purposes. **Office**—400 Stanley Ave., Brooklyn, N. Y. **Underwriter**—Lieberbaum & Co., New York (managing).

• Royal School Laboratories, Inc. (9/14)
June 23, 1961 filed 170,000 common shares. **Price**—$5. **Business**—The manufacture of special purpose laboratory furniture for schools. **Proceeds** — For expansion, general corporate purposes and working capital. **Office**—Meadow & Clay Sts., Richmond, Va. **Underwriter**—B. N. Rubin & Co., Inc., New York.

Rudd-Melikian, Inc. (9/15)
June 16, 1961 filed 130,000 common shares. **Price**—$10. **Business**—The manufacture of automatic coffee dispens-

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ers and similar items. **Proceeds**—For repayment of loans, promotion and manufacture of a new product, working capital and general corporate purposes. **Office** — 300 Jacksonville Road, Hatboro, Pa. **Underwriter**—Stearns & Co., New York.

S. O. S. Photo-Cine-Optics, Inc.
June 29, 1961 filed $50,000 of 6% subordinated debentures due 1969 and 50,000 common shares to be offered in units consisting of $10 of debentures and 10 common shares. **Price**—$40 per unit. **Business**—The manufacturing, renting and distributing of motion picture and television production equipment. **Proceeds**—For new equipment, advertising, research and development, working capital and other corporate purposes. **Office**—602 W. 52nd St., New York. **Underwriter** — William, David & Motti, Inc., New York. **Offering**—Sometime in October.

Sav-Mor Oil Corp. (10/2-6)
July 5, 1961 ("Reg. A") 92,000 common shares (par one cent). **Price**—$2.50. **Business**—Wholesale distribution of gasoline and oil to service stations. **Proceeds**—For expansion. **Office**—151 Birchwood Park Dr., Jericho, L. I., N. Y. **Underwriter**—Armstrong & Co., Inc., New York.

Save-Tax Club, Inc.
July 6, 1961 ("Reg. A") 150,000 common shares (par 10 cents). **Price**—$2. **Business**—A plan to stimulate retail merchandising in New York City. Retail establishments who join the plan will give 3% discounts to members of the Save-Tax Club. **Proceeds**—For salaries to salesmen, advertising, public relations, additional employees, and working capital. **Office**—135 W. 52nd St., New York. **Underwriter**—B. G. Harris & Co., Inc., New York.

★ Saxton Products, Inc.
Aug. 28, 1961 ("Reg. A") 80,000 common. **Price**—$3.75. **Business**—The manufacture of wires and cables. **Proceeds**—For repayment of indebtedness, equipment, advertising, inventory and general corporate purposes. **Office**—4320-26 Park Ave., Bronx 57, N. Y. **Underwriter**—Stern, Zeiff & Co., Inc., N. Y.

Scot's Discount Enterprises, Inc.
July 21, 1961 filed 175,000 common shares. **Price**—$2.25. **Business**—The retail sale of merchandise at a low markup. **Proceeds**—For new stores, inventory, and working capital. **Address**—East Windsor, Conn. **Underwriter**—Willis E. Burnside & Co., Inc., New York.

Second Financial, Inc. (9/18)
June 20, 1961 filed 100,000 common shares. **Price**—$3. **Business** — The purchase of notes, mortgages, contracts, etc., from Shell Home Builders. **Proceeds**—For investment. **Office**—2740 Apple Valley Road, N. E., Atlanta, Ga. **Underwriter**—Globus, Inc., New York.

Seeburg Corp.
Aug. 18, 1961 filed 303,812 common shares to be offered for subscription by stockholders on the basis of one new share for each five shares held. **Price**—By amendment. **Business** — The manufacture of coin-operated phonographs and other vending equipment. **Proceeds**—For repayment of loans and the financing of receivables and inventories. **Office**—1500 N. Dayton St., Chicago. **Underwriter**—White, Weld & Co., New York (managing).

● Semicon, Inc. (10/2-6)
June 30, 1961 filed 125,000 class A common shares. **Price** —By amendment. **Business**—The manufacture of semiconductor devices for military, industrial and commercial use. **Proceeds**—For equipment, plant expansion and new products. **Address**—Sweetwater Avenue, Bedford, Mass. **Underwriter**—S. D. Fuller & Co., New York (managing).

Shasta Minerals & Chemical Co. (10/2)
April 24, 1961 filed 500,000 shares of common stock. **Price**—$2.50 per share. **Business**—Acquisition, development, and exploration of mining properties. **Proceeds**—For general corporate purposes. **Office** — 1406 Walker Bank Bldg., Salt Lake City, Utah. **Underwriter**—None.

Shaw-Barton, Inc.
Aug. 15, 1961 filed 100,000 outstanding common shares. **Price**—By amendment. **Business**—The manufacture of calendars and specialty advertising. **Proceeds**—For the selling stockholders. **Address**—Coshocton, Ohio. **Underwriter**—Cruttenden, Podesta & Co., Chicago (mgr.).

Shelley Urethane Industries, Inc.
May 24, 1961 filed 200,000 shares of common stock. **Price** To be supplied by amendment. **Business**—The manufacture, converting and distribution of urethane foam products to industry. **Proceeds** — For expansion, new equipment, repayment of debt, and working capital. **Office**—4542 East Dunham St., City of Commerce, Calif. **Underwriter** — Garat & Polonitza, Inc., Los Angeles (managing). **Note**—This company plans to change its name to Urethane Industries International Inc. **Offering** —Expected in October.

Shepard Airtronics, Inc.
April 26, 1961 (letter of notification) 75,000 shares of common stock (par one cent). **Price** — $4 per share. **Business**—The manufacture of high altitude breathing and ventilation equipment. **Proceeds**—For repayment of loans; new equipment, research and development, plant improvement, purchase of inventory, advertising and working capital. **Office** — 787 Bruckner Boulevard, Bronx, N. Y. **Underwriters**—L. C. Wegard & Co., 28 West State St., Trenton, N. J. (managing); L. J. Termo & Co., Inc., New York and Copley & Co., Colorado Springs, Colo.

Shulton, Inc.
July 21, 1961 filed 50,000 class A and 50,000 class B common shares. **Price**—By amendment. **Business**—The manufacture of toiletries and household chemical products. **Proceeds**—For general corporate purposes. **Address** —697 Route 46, Clifton, N. J. **Underwriter**—Smith, Barney & Co., New York (managing).

● Siegel (Henry I.) Co., Inc. (9/11)
July 27, 1961 filed 270,000 class A shares (par $1), of which 135,000 shares are to be offered by the company and 135,000 shares by stockholders. **Price**—By amendment. **Business** — The manufacture of men's and boys' sportswear. **Proceeds** — For repayment of loans, equipment, working capital and other corporate purposes. **Office**—230 Fifth Ave., New York. **Underwriter**—Shearson, Hammill & Co., New York (managing).

★ Sierra Capital Co.
Sept. 5, 1961 filed 1,000,000 capital stock. **Price** — By amendment. **Business**—A small business investment company. **Proceeds**—For general corporate purposes. **Office** —105 Montgomery St., San Francisco. **Underwriter**—C. E. Unterberg, Towbin Co., N. Y.

Site-Fab, Inc.
Aug. 21, 1961 ("Reg. A") 100,000 common (par 10c). **Price**—$3. **Proceeds**—For purchase and improvement of land, promotion and development and working capital. **Office**—901 Market St., Wilmington, Del. **Underwriter**—H. P. Black & Co., Inc., Washington, D. C.

Small Business Investment Co. of New York, Inc.
Aug. 22, 1961 filed 875,000 common shares. **Price**—By amendment. **Business** — A small business investment company. **Proceeds**—For investment in and loans to small business. **Office**—40 Beaver St., Albany, N. Y. **Underwriter**—Dillon, Read & Co., Inc., New York.

Smyth Worldwide Movers, Inc.
Aug. 10, 1961 ("Reg. A") 85,106 common shares (par $1). **Price**—$2.35. **Proceeds**—For working capital. **Office**—11616 Aurora Avenue, Seattle. **Underwriter**—Blanchett, Hinton, Jones & Granat, Inc., Seattle.

Southern Diversified Industries, Inc.
Aug. 8, 1961 filed 250,000 common shares. **Price**—$5.50. **Business** — The purchase, inventorying and wholesale distribution of roofing materials, sheet metal products and heating and air conditioning accessories. **Proceeds**—For repayment of debt, purchase of merchandise and operating expenses. **Office** — 3690 Northwest 62nd St., Miami, Fla. **Underwriter** — Netherlands Securities Co., Inc., New York.

● Southern Growth Industries, Inc.
June 28, 1961 filed 100,000 common shares. **Price**—$6. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—Poinsett Hotel Building, Greenville, S. C. **Underwriter**—Capital Securities Corp., Greenville, S. C.

● Southern Realty & Utilities Corp. (10/2-6)
May 26, 1961 filed $3,140,000 of 6% convertible debentures due 1976, with warrants to purchase 31,400 common shares, to be offered for public sale in units of $500 of debentures and warrants for five common shares. **Price** —At 100% of principal amount. **Business**—The development of unimproved land in Florida. **Proceeds**—For the repayment of debt, the development of property, working capital and other corporate purposes. **Office**—1674 Meridian Avenue, Miami Beach, Fla. **Underwriters** — Hirsch & Co., and Lee Higginson Corp., both of New York City (managing).

● Southwestern Research & Development Co. (10/10)
Aug. 28, 1961 filed 600,000 common. **Price**—$10. **Business** — A business investment company. **Proceeds** — for investments. **Office**—1101 N. First St., Phoenix. **Underwriter**—Wilson, Johnson & Higgins, San Francisco (mgr).

● Spectron, Inc. (9/18-22)
June 9, 1961 filed 83,750 class A common shares (par 10 cents). **Price**—$4.50. **Business**—The design, development and manufacture of electronic systems, instruments and equipment, including microwave, radar and underwater communication devices. **Proceeds** — For purchase of equipment, plant expansion, patent development and general corporate purposes. **Office**—812 Ainsley Bldg., Miami, Fla. **Underwriter**—Hampstead Investing Corp., New York (managing).

Spencer Laboratories, Inc.
May 1, 1961 (letter of notification) 1,624 shares of class A common stock (no par) to be offered for subscription by stockholders on the basis of four shares for each five shares held, with the unsubscribed shares to be sold to the public. **Price**—To stockholders, $100 per share; to the public, $110 per share. **Business**—Manufacturers of Pharmaceuticals. **Proceeds** — For testing new products, inventories; marketing and general corporate purposes. **Office**—10 Pine St., Morristown, N. J. **Underwriter**—E. T. Andrews & Co., Hartford, Conn.

Star Homes, Inc.
June 28, 1961 filed $500,000 7% subordinated debentures due 1971 and 200,000 common shares to be offered in units, each unit consisting of $50 of debentures and 20 common shares. **Price**—$100 per unit. **Business**—The construction and sale of shell homes. **Proceeds**—For repayment of loans, advances to a subsidiary, establishment of branch sales offices and working capital. **Office** —336 S. Salisbury Street, Raleigh, N. C. **Underwriter**—D. E. Liederman & Co., Inc., New York (managing).

● Star Industries, Inc. (10/2-6)
Aug. 23, 1961 filed 415,576 class A, of which 103,894 are to be offered by the company and 311,682 by stockholders. **Price**—By amendment. **Business**—A wholesale liquor distributor. **Proceeds**—For repayment of loans and working capital. **Office**—31-10 48th Ave., Long Island City, N. Y. **Underwriters**—Lee Higginson Corp. and H. Hentz & Co. (co-mgrs.).

★ Sterile Medical Products, Inc.
Aug. 29, 1961 ("Reg. A") 120,000 common. **Price**—$2.50. **Business**—The sharpening of surgical blades. **Proceeds**—For repayment of loans, equipment and general corporate purposes. **Office**—434 Buckelew Ave., New Brunswick, N. J. **Underwriter**—Louis R. Dreyling & Co., Inc., New Brunswick, N. J.

● Sterling Electronics, Inc. (10/2-6)
July 24, 1961 filed 125,200 common shares, of which 82,000 shares are to be offered by the company and 43,200 shares by stockholders. **Business**—The distribution of electronic parts and equipment. **Proceeds**—For repayment of loans and working capital. **Office**—1616 McKinley, Houston, Texas. **Underwriter**—S. D. Fuller & Co., New York (managing).

Sterling Seal Co.
Aug. 2, 1961 filed 112,300 common shares of which 20,000 shares are to be offered by the company and 92,300 shares by the stockholders. **Price**—By amendment. **Business**—The design, lithographing and stamping of metal caps or closures for containers. **Proceeds**—For working capital. **Office**—316 W. 16th St., Erie, Pa. **Underwriters**—Fulton, Reid & Co., Inc., Cleveland and Walston & Co., Inc., New York (managing).

Strouse, Inc. (9/12)
June 27, 1961 filed $600,000 of 6% convertible subordinated debentures due 1981. **Price**—At par. **Proceeds**—For plant expansion, working capital and other corporate purposes. **Office** — Basin and Cherry Sts., Norristown, Pa. **Underwriter**—H. A. Riecke & Co., Philadelphia (managing).

★ Superior Industries Corp.
Aug. 29, 1961 filed 125,000 common. **Price**—$4. **Business** —The manufacture of folding pool tables, table tennis tables and related accessories. **Proceeds** — For general corporate purposes. **Office**—520 Coster St., Bronx, N. Y. **Underwriter**—Brand, Grumet & Seigel, Inc., N.Y. (mgr.).

Supronics Corp. (9/18-22)
May 29, 1961 filed 90,000 shares of common stock. **Price** —To be supplied by amendment. **Business**—The company is engaged in the distribution of wholesale electrical equipment and supplies. **Proceeds** — For the repayment of bank loans and other corporate purposes. **Office**—224 Washington St., Perth Amboy, N. J. **Underwriters**—Amos Treat & Co., Inc., and Standard Securities Corp., both of New York City and Bruno-Lenchner, Inc., Pittsburgh, Pa.

Susan Crane Packaging, Inc.
Aug. 28, 1961 filed 150,000 common. **Price**—By amendment. **Business**—The manufacture of gift wrap, packaging materials and greeting cards. **Proceeds**—For repayment of loans, expansion, working capital and general corporate purposes. **Office**—8107 Chancellor Row, Dallas. **Underwriter**—C. E. Unterberg, Towbin Co., N. Y. C. (mgr.).

Swingline Inc.
June 14, 1961 filed 200,000 outstanding class A common shares. **Price**—By amendment. **Business**—The manufacture of stapling machines. **Proceeds** — For the selling stockholders. **Office**—32-00 Skillman Ave., Long Island City, New York. **Underwriter**—Paine, Webber, Jackson & Curtis, New York (mgr.). **Offering**—Sometime in Oct.

● T. F. H. Publications, Inc.
June 22, 1961 ("Reg. A") 60,000 common shares (par 10 cents). **Price**—$5. **Business**—The publishing of books, pamphlets and magazines. **Proceeds**—For repayment of loans, production of new garden books, installation of air-conditioning and working capital. **Office**—245-247 Cornelison Ave., Jersey City, N. J. **Underwriter**—Arnold Malkan & Co., Inc., N. Y. **Offering**—Imminent.

T. V. Development Corp. (9/11-15)
May 26, 1961 filed 100,000 shares of common stock. **Price** —$5 per share. **Business**—The manufacture and sale of replacement knobs for television sets. **Proceeds**—For the repayment of debt, the expansion of product lines and working capital. **Office**—469 Jericho Turnpike, Mineola, N. Y. **Underwriters** — Kesselman & Co., and Brand, Grumet & Seigel, Inc., New York (managing).

Taddeo Bowling & Leasing Corp.
March 31, 1961 filed $600,000 of 8% convertible subordinated debentures due 1971, 125,000 shares of common stock and 50,000 class A warrants to purchase common stock to be offered for public sale in units consisting of $240 of debentures, 50 common shares and 20 warrants. **Price** — $640 per unit. **Business** — The construction of bowling centers. **Proceeds**—For construction and working capital. **Office**—873 Merchants Rd., Rochester, N. Y. **Underwriters**—N. A. Hart & Co., and Darius, Inc. (co-mgrs.).

● Tastee Freez Industries, Inc. (9/18-22)
July 12, 1961 filed 350,000 common shares, of which 200,000 shares are to be offered by the company and 150,000 shares by a stockholder. **Price**—By amendment. **Business**—The franchising and supplying of stores with a soft ice cream product and selected food items. **Proceeds**—For acquisition of properties and working capital. **Office**—2518 W. Montrose Ave., Chicago. **Underwriter**—Bear Stearns & Co., New York (managing).

★ Tasty Baking Co.
Aug. 31, 1961 filed 100,000 class A common (non-voting). **Price**—By amendment. **Business**—The manufacture of packaged bakery products. **Proceeds** — For the selling stockholders. **Office**—2801 Hunting Park Ave., Philadelphia. **Underwriter** — Drexel & Co., Philadelphia (mgr.).

Tax-Exempt Public Bond Trust Fund, Series 2
Feb. 23, 1961 filed $10,000,000 (100,000 units) ownership certificates. **Price**—To be filed by amendment. **Business** —The fund will invest in interest bearing obligations of states, counties, municipalities and territories of the U. S., and political subdivisions thereof which are believed to be exempted from Federal income taxes. **Proceeds** — For investment. **Office** — 135 South La Salle Street, Chicago. **Sponsor**—John Nuveen & Co., Chicago.

● Taylor-Country Estate Associates (9/8)
June 12, 1961 filed $2,420,000 of limited partnership interests. **Price**—$10,000 per unit. **Business**—The partnership will acquire all the outstanding stock of five apartment houses in Newark, East Orange and Jersey City, N. J. **Proceeds**—For general corporate purposes. **Office**

—420 Lexington Ave., New York City. **Underwriter**—Nat Berger Associates, Inc., New York.

● Technifoam Corp. (10/2-6)
Aug. 14, 1961 filed 110,000 common shares. **Price**—$8. **Business**—The manufacture of machinery for producing polyurethane foam. **Proceeds**—For repayment of loans, equipment, foreign investments and working capital. **Office** — 717 Fifth Avenue, New York. **Underwriter** — Stearns & Co., N. Y. (mgr.).

● Techno-Vending Corp. (9/18-22)
June 9, 1961 ("Reg. A") 100,000 class A common shares (par one cent). **Price**—$3. **Business**—The manufacture of coin-operated vending machines. **Proceeds**—For repayment of loans; sales promotion and advertising; expansion; purchase of raw materials; research and development, and working capital. **Office**—599 Tenth Avenue, New York. **Underwriter**—International Services Corp., Paterson, N. J.

Telecredit, Inc.
July 24, 1961 filed 155,000 common shares. **Price**—$1. **Business**—The development of high-speed electronic data processing systems. **Proceeds**—For organizational expenses, establishment of service centers and reserves. **Office**—100 W. 10th Street, Wilmington, Del. **Underwriter**—Globus, Inc., New York (managing).

Telephones, Inc. (9/11-15)
July 26, 1961 filed 250,000 common shares, of which 200,000 shares are to be offered by the company and 50,000 shares by stockholders. **Price**—By amendment. **Business**—A holding company with eight telephone subsidiaries. **Office**—135 So. La Salle St., Chicago. **Underwriters**—Hayden, Stone & Co., New York and McCormick & Co., Chicago.

● TelePrompTer Corp. (9/18-22)
July 6, 1961 filed $5,000,000 of convertible subordinated debentures due 1976. **Price**—By amendment. **Business**—The manufacture of communication systems and equipment. **Proceeds**—For repayment of loans and working capital. **Office**—50 W. 44th St., New York. **Underwriter**—Bear, Stearns & Co., New York (managing).

★ Teleregister Corp.
Sept. 1, 1961 filed 280,000 common. **Price**—By amendment. **Business**—The furnishing of data processing, dissemination and display services. **Proceeds**—For the selling stockholders. **Office**—445 Fairfield Ave., Stamford. **Underwriter**—Ladenburg, Thalmann & Co., N. Y. (mgr.).

Televiso Corp.
Aug. 8, 1961 filed 97,400 common shares, of which 60,000 shares are to be offered by the company and 37,400 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of electronic and electro-mechanical apparatus used as ground to air aids to aircraft navigation. **Proceeds**—For repayment of loans, purchase of a plant and working capital. **Office** — Wheeling & Exchange Roads, Wheeling, Ill. **Underwriter**—Kalman & Co., St. Paul (managing).

Templet Industries Inc.
June 2, 1961 ("Reg. A") 100,000 common shares (par 25 cents). **Price**—$3. **Business**—Licenses patents to die-makers and metal parts manufacturers. **Proceeds**—For working capital and general corporate purposes. **Office**—701 Atkins Ave., Brooklyn 8, N. Y. **Underwriter**—Levien, Greenwald & Co., New York.

Tennessee Investors, Inc.
May 16, 1961 filed 500,000 shares of common stock to be publicly offered, and 4,206 common shares to be offered to holders of the outstanding common on the basis of one new share for each nine shares held. **Prices**—$12.50 per share for the public offering and $11.40 per share for the rights offering. **Business**—A small business investment company. **Proceeds** — To finance the company's activities of providing equity capital and long term loans to small business concerns. **Office**—Life and Casualty Tower, Nashville, Tenn. **Underwriter**—Paine, Webber, Jackson & Curtis, New York City (managing).

● Terry Industries, Inc. (9/13)
Feb. 28, 1961 filed 1,728,337 shares of common stock of which 557,333 shares are to be offered for the account of the issuing company and 1,171,004 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—For the company's shares, to be related to A.S.E. prices at time of the offering. For the stockholders' shares, the price will be supplied by amendment. **Business** — The company, formerly Sentry Corp., is primarily a general contractor for heavy construction projects. **Proceeds**—The proceeds of the first 12,000 shares will go to Netherlands Trading Co. The balance of the proceeds will be used to pay past due legal and accounting bills, to reduce current indebtedness, and for working capital. **Office**—11-11 34th Ave., Long Island City, L. I., N. Y. **Underwriter** — (For the company's shares only) Greenfield & Co., Inc., N. Y. C.

● Texas Capital Corp. (9/14)
June 16, 1961 filed 1,000,000 common shares. **Price**—By amendment. **Business** — A small business investment company. **Proceeds** — For investment. **Office** — 104 E. Eighth St., Georgetown, Tex. **Underwriter** — Dempsey-Tegeler & Co., Inc., St. Louis.

★ Texas Gas Producing Co.
Sept. 5, 1961 filed $315,000 of 5½% subordinated convertible debentures due 1973 and 10,500 common to be offered in units of $90 of debentures and three of common. **Price**—By amendment. **Business**—The production of crude oil and natural gas. **Proceeds**—For repayment of notes, working capital and general corporate purposes. **Office**—731 Meadows Bldg., Dallas. **Underwriter**—Equitable Securities Corp., Nashville.

Textilfoam, Inc.
June 23, 1961 filed 130,000 common shares of which 100,000 shares are to be offered by the company and 30,000 shares by the stockholders. **Price**—By amendment. **Business** — The lamination of a synthetic foam to fabrics. **Proceeds**—For expansion, working capital and general corporate purposes. **Office**—200 Fair St., Palisades Park, N. J. **Underwriters**—Flomenhaft, Seidler & Co., Inc., and Street & Co., Inc., New York (managing).

Thermionix Industries Corp.
July 27, 1961 ("Reg. A") 150,000 common shares (par 10 cents). **Price**—$2. **Business**—The manufacture of a flexible heating tape. **Proceeds**—For construction of a machine, research and development, sales engineering and working capital. **Office** — 500 Edgewood Avenue, Trenton, N. J. **Underwriter**—D. L. Capas Co., New York.

Thermo-Chem Corp. (9/11)
June 14, 1961 filed 130,000 common shares. **Price**—$4.50. **Business**—The manufacture of coatings for fabrics. **Proceeds**—To repay a loan, and purchase equipment, for research and development, administrative expenses and working capital. **Office** — Noeland Ave., Penndel, Pa. **Underwriter**—Best & Garey Co., Inc., Washington, D. C.

Thermotronics Corp., Inc.
July 10, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—Research and development of electronic and electrical devices, principally an electronic water heater. **Proceeds**—For raw materials, plant and equipment, advertising research and development and working capital. **Office**—27 Jericho Turnpike, Mineola, L. I., N. Y. **Underwriter**—J. B. Coburn Associates, Inc., New York.

Thomas Jefferson Insurance Co.
July 27, 1961 ("Reg. A") 63,750 common shares (par $1). **Price**—$4.70. **Proceeds**—To increase capital and surplus. **Office**—457 Starks Bldg., Louisville. **Underwriter**—Stein Bros. & Boyce, Louisville.

Thoroughbred Enterprises, Inc. (9/11-15)
June 2, 1961 filed 85,000 common shares. **Price**—$4. **Business** — The breeding of thoroughbred race horses. **Proceeds**—To purchase land, build a stable, and buy additional horses. **Office**—8000 Biscayne Blvd., Miami, Fla. **Underwriter**—Sandkuhl & Co., Inc., Newark, N. J., and New York City.

● Thriftway Foods, Inc. (9/25-29)
July 13, 1961 filed 140,000 common shares, of which 66,915 shares are to be offered by the company and 73,085 shares by stockholders. **Price**—By amendment. **Business**—The wholesale distribution of food products to retail stores. **Proceeds**—For repayment of debt and general corporate purposes. **Office**—Church & Henderson Rds., King of Prussia, Pa. **Underwriter**—Kidder, Peabody & Co., New York (managing).

Thurow Electronics, Inc.
July 20, 1961 ("Reg. A") 41,500 class A common shares (par $2.50) and 83,000 class B common shares (par $1) to be offered in units consisting of one class A and two class B common shares. **Price**—By amendment. **Proceeds**—For repayment of loans and inventory. **Office** — 121 S. Water St., Tampa. **Underwriter** — Miller Securities Corp., Atlanta, Ga.

● Tinsley Laboratories, Inc.
June 29, 1961 ("Reg. A") 100,000 capital shares (par 16⅔ cents). **Price**—$3. **Proceeds**—For repayment of loans, purchase of equipment and working capital. **Office**—2448 Sixth St., Berkeley, Calif. **Underwriter**—Troster, Singer & Co., N. Y. **Offering**—Imminent.

Tor Education, Inc.
July 28, 1961 filed 100,000 capital shares. **Price** — By amendment. **Business**—The production of self instructional courses and devices. **Proceeds**—For purchase of equipment, new products and other corporate purposes. **Office**—65 Prospect St., Stamford, Conn. **Underwriter**—F. L. Rossman & Co., New York (managing).

Tower Communications Co.
Aug. 24, 1961 filed 125,000 common. **Price**—By amendment. **Business**—The design, manufacture and erection of communications towers. **Proceeds** — For repayment of debt and working capital. **Office** — 2700 Hawkeye Dr., Sioux City, Iowa. **Underwriter**—C. E. Unterberg, Towbin Co., N. Y. C. (mgr.).

● Transcontinental Investing Corp. (10/23-27)
Aug. 25, 1961 filed $10,000,000 of 6½% convertible subordinated debentures due 1981. **Price**—By amendment. **Business** — The operation of hotels, motels, apartment buildings and a small business investment company. **Office**—375 Park Ave., N. Y. C. **Underwriter**—Lee Higginson Corp., N. Y. C. (mgr.).

Transcontinental Investment Co.
March 15, 1961 (letter of notification) 120,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—For advances to subsidiaries. **Office**—278 S. Main Street, Salt Lake City, Utah. **Underwriter**—Continental Securities Corp., 627 Continental Bank Building, Salt Lake City, Utah.

★ Trans-Lux Corp.
Aug. 31, 1961 filed 250,000 common capital, of which 150,000 shares are to be offered by the company and 100,000 shares by stockholders. **Price**—By amendment. **Business**—The manufacture of news ticker projection equipment. **Proceeds** — For expansion, repayment of loans, new equipment and general corporate purposes. **Office**—625 Madison Ave., N. Y. **Underwriter** — Bear, Stearns & Co., N. Y. (mgr.).

Transvision Electronics, Inc. (9/11-15)
June 29, 1961 filed 140,000 common shares. **Price**—By amendment. **Business**—The manufacture of specialized TV equipment. **Proceeds**—For expansion, repayment of debt and working capital. **Office**—460 North Avenue, New Rochelle, N. Y. **Underwriter**—Adams & Peck, N. Y.

● Tresco, Inc.
June 5, 1961 filed 100,000 common shares. **Price**—$5. **Business**—Manufactures transformers for electronic equipment. **Proceeds**—For the repayment of debt, research and development, to finance a new subsidiary and for other corporate purposes. **Office**—3824 Terrance St., Philadelphia. **Underwriter**—Amos Treat & Co., New York (mgr.). **Offering**—Imminent.

Tri-Chem, Inc.
Aug. 16, 1961 filed $350,000 of sinking fund debentures, 6½% series due 1976 and 140,000 common shares to be offered in units consisting of $100 of debentures and 40 common shares. **Price**—By amendment. **Business**—The manufacture of paints for hobbyists. **Proceeds**—For repayment of bank loans and working capital. **Office**—82 Main St., West Orange, N. J. **Underwriter**—P. W. Brooks & Co., Inc., New York (managing).

● Tri Metal Works, Inc. (9/18-22)
June 29, 1961 filed 68,000 outstanding common shares to be offered by the stockholders. **Price**—At the market. **Business** — The designing, converting and equipping trucks used in sale of ice cream, etc. It also engages in the research, design and manufacture of vacuum furnaces, ovens and components in the fabrication of metal equipment for the food, pharmaceutical and chemical industries. **Proceeds**—For the selling stockholders. **Office**—Bennard & Warrington Sts., East Riverton, N. J. **Underwriters**—R. L. Scheinman & Co., New York and Blaha & Co., Inc., Long Island City, N. Y.

Tri-State Displays, Inc.
July 24, 1961 ("Reg. A") 260,000 common shares (par five cents). **Price**—$1.15. **Proceeds**—For working capital. **Office**—1221 Glenwood Ave., Minneapolis. **Underwriter**—Naftalin & Co., Minneapolis.

● Triangle Instrument Co. (9/18-22)
March 30, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business** — The manufacture of precision instruments and components. **Proceeds**—For equipment, inventory, the repayment of debt, and working capital. **Office**—Oak Dr. and Cedar Pl., Syosset, L. I., N. Y. **Underwriter**—Armstrong & Co., Inc., New York City.

● Trinity Funding Corp. (9/11)
June 19, 1961 filed 250,000 common shares. **Price**—$6. **Business**—A consumer and industrial finance company. **Proceeds**—For working capital. **Office**—1107 Broadway, New York. **Underwriter**—Trinity Securities Corp., 40 Exchange Place, New York.

True Taste Corp.
Aug. 18, 1961 filed 200,000 common shares. **Price**—$5. **Business** — The installation and operation of plant to process frozen concentrated juices in bulk. **Proceeds**—For installation of equipment and working capital. **Office**—1206 Tower Petroleum Bldg., Dallas. **Underwriter**—Dallas Rupe & Son, Inc., Dallas (managing).

Turbodyne Corp.
May 10, 1961 filed 200,000 shares of common stock. **Price**—$2 per share. **Business** — The research, development, manufacturing and marketing of space and rocket engines, and related activities. **Proceeds**—For research and development, and working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—T. J. McDonald & Co., Washington, D. C.

Union Leagues, Inc.
June 28, 1961 filed $700,000 of 7% subordinated sinking fund debentures due 1976 (with attached warrants) and 140,000 common shares to be offered in units consisting of 80 common shares and $400 of debentures. **Price**—$800 per unit. **Business**—The operation of bowling centers. **Proceeds**—For repayment of debt, acquisition of a warehouse and working capital. **Office**—11459 E. Imperial Highway, Norwalk, Calif. **Underwriter** — Holton, Henderson & Co., Los Angeles.

● Union Rock & Materials Corp. (10/19)
Aug. 22, 1961 filed 160,000 common. **Price**—By amendment. **Business**—The company is engaged in the paving of roads and the sale of sand, crushed rock and transit-mix concrete. **Proceeds**—For the selling stockholders. **Office**—2800 S. Central Ave., Phoenix, Ariz. **Underwriter**—William R. Staats & Co., Los Angeles (mgr.).

United Improvement & Investing Corp.
Aug. 18, 1961 filed $2,500,000 of 6% convertible subordinated debentures due 1976 to be offered for subscription by holders of common stock and series A warrants on the basis of $100 of debentures for each 70 shares held. **Price**—By amendment. **Business**—General real estate. **Proceeds**—For general corporate purposes. **Office**—25 W. 43rd St., New York. **Underwriter**—Sutro Bros. & Co., New York (managing).

United Investors Corp. (9/18)
May 26, 1961 filed 76,109 shares of class A stock. **Price**—$10 per share. **Business**—The company plans to acquire 15 realty properties in eight states. **Proceeds**—For the repayment of debt, property acquisitions, and working capital. **Office**—60 E. 42nd Street, New York City. **Underwriter**—None.

United Nuclear Corp.
Aug. 28, 1961 filed 325,000 common, of which 100,000 are to be offered by the company and 225,000 by stockholders.. **Price** — By amendment. **Business** — Development and research in the nuclear field. **Proceeds**—For working capital and general corporate purposes. **Office**—365 Winchester Ave., New Haven, Conn. **Underwriter** — Eastman Dillon, Union Securities & Co., N. Y. C. (mgr.).

United Scientific Laboratories, Inc. (9/25)
Aug. 18, 1961 filed 360,000 common shares. **Price**—$2. **Business**—The manufacture of high fidelity stereo tuners and amplifiers and amateur radio transceivers. **Proceeds**—For repayment of debt, increase in sales personnel, tooling and production and working capital. **Office**—35-15 37th Ave., Long Island City, N. Y. **Underwriter**—Continental Bond & Share Corp., Maplewood, N. J.

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• United States Crown Corp.
Aug. 22, 1961 filed 150,000 common. **Price**—$8. **Business**—The manufacture of specialized bottle caps. **Proceeds**—For equipment, working capital and general corporate purposes. **Office**—437 Boulevard, East Paterson, N. J. **Underwriter**—Adams & Peck, N. Y. (mgr.). **Offering**—Expected in November.

U. S. Dielectric Inc.
July 24, 1961 ("Reg. A")99,990 common shares (par 10 cents). **Price**—$3. **Business**—The manufacture and distribution of epoxy resins for potting uses. **Proceeds**—For repayment of loans, research and development, moving expenses and working capital. **Office** — 140 Adams St., Leominster, Mass. **Underwriter** — Richard Bruce & Co., Inc., New York.

U. S. Markets, Inc.
July 31, 1961 filed 200,000 common shares, of which 160,000 shares are to be offered by the company and 40,000 shares by a stockholder. **Price**—$5. **Business**—The operation of a chain of supermarkets and other retail food stores in the San Francisco area. **Proceeds**—For repayment of loans, working capital and general corporate purposes. **Office**—60 Fallon Street, Oakland, Calif. **Underwriter**—Stanley Heller & Co., New York.

• U. S. Plastic & Chemical Corp. (9/25-29)
July 11, 1961 filed 125,000 common shares. **Price** — By amendment. **Business**—The manufacture of plastic materials for use by the button and novelty industries. **Proceeds**—For the repayment of debt, expansion, and working capital. **Office** — Metuchen, N. J. **Underwriter**—Adams & Peck, New York.

Universal Electronics, Inc.
July 27, 1961 ("Reg. A") 213,000 common shares (par 10 cents). **Price**—$1.15. **Office**—402 Minnesota Bldg., St. Paul. **Underwriter**—Brandtjen & Bayliss, St. Paul.

• Universal Health, Inc. (9/8)
June 14, 1961 ("Reg. A") 100,000 common shares. **Price**—$3. **Business** — The operation of a chain of health studios. **Proceeds**—For expansion, advertising, financing of time payment memberships and other corporate purposes. **Office**—15A South Main St., West Hartford, Conn. **Underwriter**—Cortlandt Investing Corp., 120 Wall St., New York.

• Universal Moulded Fiber Glass Corp. (9/15)
June 18, 1961 filed 275,000 outstanding common shares to be sold by stockholders. **Price**—$10. **Business**—The manufacture of fiber glass reinforced plastic. **Proceeds**—For the selling stockholders. **Address**—Commonwealth Ave., Bristol, Va. **Underwriter**—A. G. Edwards & Sons, St. Louis (managing).

• Universal Publishing & Distributing Corp. (9/25-29)
June 28, 1961 filed 50,000 6% cumulative preferred shares (par $10) and 50,000 common shares to be offered in units, each consisting of one preferred share and one common share. **Price**—$15 per unit. **Business**—The publishing of magazines and paper bound books. **Proceeds**—For expansion, additional personnel, sales promotion, working capital and other corporate purposes. **Office**—117 E. 31st St., N. Y. **Underwriter**—Allen & Co., N. Y.

Universal Surgical Supply Inc. (9/15)
Aug. 1, 1961 filed 200,000 common shares, of which 100,000 will be offered for public sale and 100,000 to stockholders of Houston Fearless Corp., parent company, on the basis of one share for each 30 shares held of record Sept. 1. **Business** — The sale of medicine, surgical and laboratory equipment manufactured by others. **Proceeds**—For the repayment of debt. **Office** — 9107 Wilshire Blvd., Beverly Hills, Calif. **Underwriter** — Dempsey-Tegeler & Co., Inc., St. Louis.

• Vacu-Dry Co. (9/12)
June 27, 1961 filed 400,000 common shares. **Price**—By amendment. **Proceeds** — For expansion, repayment of bank loans and working capital. **Office** — 950 56th St., Oakland, Calif. **Underwriter**—Wilson, Johnson & Higgins, San Francisco (managing).

Valley Title & Trust Co. (9/25)
June 13, 1961 filed 120,000 common shares. **Price**—$5. **Business**—The writing and selling of title insurance and the acting as trustee and escrow agent. **Proceeds**—For working capital, reserves and other corporate purposes. **Office**—1001 North Central Ave., Phoenix, Ariz. **Underwriter** — Louis R. Dreyling & Co., 25 Livingston Ave., New Brunswick, N. J.

• Val-U Homes Corp. of Delaware
Aug. 28, 1961 filed 100,000 common. **Price**—$5. **Business**—The manufacture of prefabricated buildings and shell homes. **Proceeds**—For working capital. **Office**—765 River St., Paterson, N.J. **Underwriter**—Stearns & Co., N.Y.C. (mgr.). **Offering**—In early November.

Valve Corp. of America
July 26, 1961 filed 160,000 common shares, of which 75,000 shares are to be offered by the company and 70,000 shares by stockholders. **Price**—$7. **Business**—The manufacture of valves and accessories for aerosol containers. **Proceeds**—For repayment of debt and working capital. **Office**—1720 Fairfield Ave., Bridgeport, Conn. **Underwirter**—Lomasney, Loving & Co., N. Y. (mgr.)

Varitron Corp.
July 25, 1961 filed 100,000 shares of common stock. **Price**—$2. **Business** — The manufacture of electronic items, principally TV and radio parts. **Proceeds**—For equipment, financing of merchandise, imports and accounts receivable and working capital. **Office** — 397 Seventh Ave., Brooklyn, N. Y. **Underwriter**—Kenneth Kass, N. Y.

Vending International, Inc.
July 27, 1961 ("Reg. A") 70,588 common shares (par 10 cents). **Price**—$4.24. **Proceeds** — For repayment of debt, expansion and a new building. **Office**—c/o Brownfield, Rosen & Malone, 1026-16th St., N. W., Washington, D. C. **Underwriter**—H. P. Black & Co., Inc., Wash., D. C.

• Vic Tanny Enterprises, Inc. (9/25-29)
May 11, 1961 filed 320,000 shares of class A common stock (par 10 cents) of which 120,000 shares will be offered for the account of the company and 200,000 shares by the present holder thereof. **Price**—To be supplied by amendment. **Business**—The operation of a national chain of gymnasiums and health centers for men and women. **Proceeds**—The company will use its part of the proceeds for the opening of new gymnasiums and the promotion of home exercise equipment. **Office**—375 Park Ave., New York City. **Underwriter**—S. D. Fuller & Co., N. Y. C.

Vol-Air, Inc.
July 27, 1961 ("Reg. A") 96,000 common shares (par one cent). **Price**—$2.50. **Business**—The manufacture of a patented heat and mass transfer system. **Proceeds**—For equipment, filing of patents, inventory, advertising and promotion. **Address**—347 Madison Avenue, New York. **Underwriter**—Glass & Ross, Inc., 60 E. 42nd Street, New York 17, N. Y.

Voron Electronics Corp. (9/25-29)
July 28, 1961 filed 100,000 class A shares. **Price** — $3. **Business**—The manufacture of electronic test equipment, the sale, installation and servicing of industrial and commercial communications equipment and the furnishing of background music. **Proceeds**—For tooling, production, engineering, inventory and sales promotion of its products and for working capital. **Office** — 1230 E. Mermaid Lane, Wyndmoor, Pa. **Underwriters** — John Joshua & Co., Inc., and Reuben Rose & Co., New York.

Wainrite Stores, Inc. (9/18)
June 23, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The operation of discount merchandising centers. **Proceeds**—For repayment of loans, expansion and working capital. **Office**—691 E. Jericho Turnpike, Huntington Station, N. Y. **Underwriter**—Omega Securities Corp., New York.

Wald Research, Inc.
July 26, 1961 filed 65,000 common shares. **Price** — $5. **Business** — The manufacture of ground support equipment for the aircraft, misisle and related industries. **Proceeds**—For repayment of loans, purchase of equipment and inventory, working capital and general corporate purposes. **Office**—79 Franklin Turnpike, Mahwah, N. J. **Underwriters** — Martinelli & Co., New York and E. R. Davenport & Co., Providence, R. I.

• Waldbaum, Inc. (9/11-15)
July 21, 1961 filed 183,150 common shares, of which 120,000 are to be offered by the company and 63,150 shares by the stockholders. **Price**—By amendment. **Business**—The operation of a supermarket chain and the wholesaling of food products. **Proceeds**—For repayment of loans, expansion, inventory and other corporate purposes. **Office**—2300 Linden Boulevard, Brooklyn, N. Y. **Underwriter** — Shields & Co., New York (managing).

• Walter Sign Corp.
March 30, 1961 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Business** — The manufacture and installation of highway signs. **Proceeds**—For the reduction of debt, sales promotion, inventory and reserves. **Office**—4700 76th St., Elmhurst, L. I., N. Y. **Underwriter**—Amber, Burstein & Co., 40 Exchange Place, New York 5, N. Y.

★ Warshow (H.) & Sons, Inc.
Aug. 30, 1961 filed 285,000 class A. **Price**—By amendment. **Business**—The manufacture of fabrics for women's wear. **Proceeds**—For the selling stockholders. **Office**—45 W. 36th St., N. Y. **Underwriters**—Lee Higginson Corp. and P. W. Brooks & Co., Inc., N. Y. (mgrs.).

• Washington Engineering Services Co., Inc. (9/20)
June 29, 1961 filed 375,000 common shares. **Price**—$1. **Business**—The servicing of manufacturing companies and engineering professions, through various training programs. **Proceeds**—For leasehold improvement, repayment of loans and working capital. **Office**—4915 Cordell Avenue, Bethesda, Md. **Underwriter**—None.

• Water Industries Capital Corp.
July 21, 1961 filed 750,000 common. **Price**—$11. **Business**—A small business investment company. **Proceeds**—For investment. **Office**—122 E. 42nd St., N. Y. **Underwriter**—Hornblower & Weeks, N. Y. (mgr.).

★ Waterman Steamship Corp.
Aug. 29, 1961 filed 1,743,000 common. **Price**—By amendment. **Business** — The carrying of liner-type cargoes. **Proceeds**—For the purchase of vessels, and working capital. **Office**—71 Saint Joseph St., Mobile, Ala. **Underwriter**—Shields & Co. Inc., N. Y. (mgr.).

Watson Electronics & Engineering Co., Inc.
July 25, 1961 ("Reg. A") 75,000 common shares (par 10 cents). **Price** — $4. **Proceeds**—For manufacturing, laboratory and office facilities, equipment and working capital. **Office**—2603 S. Oxford St., Arlington, Va. **Underwriter**—Hodgdon & Co., Inc., Washington, D. C.

Weissberg (H. R.) Corp.
Aug. 28, 1961 filed 250,000 class A common. **Price**—By amendment. **Business**—The operation of hotels, and general real estate. **Proceeds**—For repayment of loans, acquisition and general corporate purposes. **Office**—680 Fifth Ave., N. Y. **Underwriter**—Troster, Singer & Co., N. Y. C. (mgr.).

• West Coast Bowling Corp.
May 26, 1961 filed 128,434 shares of common stock, of which 115,000 shares are to be offered for public sale by the company and 13,434 outstanding shares by the present holders thereof. **Price**—$9.75 per share. **Business**—The company plans to acquire and operate bowling centers primarily in California. **Proceeds**—For general corporate purposes. **Office**—3300 West Olive Avenue, Burbank, Calif. **Underwriter**—Hill Richards & Co. Inc., Los Angeles (managing).

Western Factors, Inc.
June 29, 1960 filed 700,000 shares of common stock. **Price**—$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office** — 1201 Continental Bank Bldg., Salt Lake City, Utah. **Business**—Factoring. **Underwriter**—Elmer K. Aagaard, 6 Salt Lake Stock Exchange Bldg., Salt Lake City. **Offering**—Expected in late October.

Western Union Telegraph Co. (9/8)
July 12, 1961 filed 1,075,791 common shares to be offered for subscription by stockholders on the basis of one new share for each six shares held of record Sept. 8, 1961, with rights to expire Sept. 25. **Price**—By amendment. **Proceeds**—For repayment of loans and expansion. **Office**—60 Hudson St., New York. **Underwriters**—Kuhn, Loeb & Co. and Lehman Brothers, N. Y. (mgr.)

Wilco Commercial Corp.
July 21, 1961 ("Reg. A") 100,000 common shares (par 10 cents). **Price**—$3. **Business**—The financing of business institutions. **Proceeds**—For working capital. **Office**—350 Fifth Avenue, New York. **Underwriter**—A. J. Gabriel Co., Inc., New York.

Windsor Texprint, Inc.
Aug. 25, 1961 filed 265,000 common, of which 250,000 are to be offered by the company and 15,000 by stockholders. **Price**—$2. **Business**—The printing of towels and other textile products. **Proceeds**—For repayment of loans. **Office**—2357 S. Michigan Ave., Chicago. **Underwriter**—D. E. Liederman & Co., Inc., N. Y. C.

Wisconsin Power & Light Co.
July 17, 1961 filed 15,000 cumulative preferred shares (par $100) which are being offered to employees and preferred stockholders of record Aug. 10, 1961, with rights to expire Aug. 30, 1961. **Price**—$100 plus accrued dividends. **Proceeds**—For construction. **Office**—122 W. Washington Avenue, Madison 1, Wis. **Underwriters**—Smith, Barney & Co., New York and Robert W. Baird & Co., Inc., Milwaukee (managing).

★ Witt Manufacturing Co., Inc.
Aug. 21, 1961 ("Reg. A") 1,440 common. **Price**—At par ($100). **Proceeds**—For sales promotion and advertising, inventory and working capital. **Office**—3235 George St., La Crosse, Wis. **Underwriter**—None.

Wonderbowl, Inc. (10/23)
Feb. 6, 1961 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—To discharge a contract payable, accounts payable, and notes payable and the balance for working capital. **Office**—7805 Sunset Blvd., Los Angeles, Calif. **Underwriter**—Standard Securities Corp., Los Angeles, Calif.

Wood Manufacturing Co., Inc.
July 24, 1961 ("Reg. A") 250,000 common shares (par $1). **Price**—$1.15. **Proceeds**—Foor working capital, repayment of loans, purchase of equipment, advertising and building construction. **Office** — 1035 Chestnut St., Conway, Ark. **Underwriter**—J. P. Penn & Co., Minn.

• Woodard Research Corp.
June 23, 1961 ("Reg. A") 40,000 common. **Price**—$4. **Proceeds**—For constructing and equipping a laboratory, and for working capital. **Office**—34 Station St., Herndon, Va. **Underwriter**—First Investment Planning Co., Washington, D. C.

World Scope Publishers, Inc.
July 31, 1961 filed 300,000 common shares. **Price**—By amendment. **Business**—The publishing of encyclopedias and other reference books. **Proceeds**—For repayment of debt, working capital and general corporate purposes. **Office**—290 Broadway, Lynbrook, N. Y. **Underwriter**—Standard Securities Corp., New York.

• World Wide Bowling Enterprises, Inc.
July 20, 1961 filed 130,000 common shares. **Price**—$4. **Business**—The operation of bowling centers. **Proceeds**—For repayment of debt, expansion and working capital. **Office**—2044 Chestnut Street, Philadelphia. **Underwriter**—Fraser & Co., Philadelphia. **Offering**—In early Oct.

XTRA, Inc. (9/13)
June 28, 1961 filed 182,570 common shares of which 160,000 shares are to be offered by the company and 22,570 shares by stockholders. **Price**—By amendment. **Business**—The leasing of truck trailers to railroads or customers of railroads. **Proceeds**—For repayment of debt and for working capital. **Office**—150 Causeway Street, Boston. **Underwriter**—Putnam & Co., Hartford, Conn. (mgr.)

• York Research Corp.
June 28, 1961 filed 75,000 class A shares. **Price**—By amendment. **Business**—The testing of industrial and consumer products. **Proceeds**—For the establishment of a new laboratory and the purchase of equipment. **Office**—1 Atlantic Street, Stamford, Conn. **Underwriter**—Allen & Co., N. Y. (mgr.). **Offering**—Imminent.

Zep Aero
July 28, 1961 filed 50,000 common shares, of which 30,000 shares are to be offered by the company and 20,000 shares by a stockholder. **Price**—By amendment. **Business**—The manufacture of oxygen systems and accessories for aircraft. **Proceeds** — For inventory, plant improvement, equipment and working capital. **Office**—113 Sheldon St., El Segundo, Calif. **Underwriter**—Francis J. Mitchell & Co., Inc., Newport Beach, Calif.

Zion Foods Corp.
July 20, 1961 filed 110,000 common shares, of which 90,000 shares are to be offered by the company and 20,000 shares by a selling stockholder. **Price**—$5. **Business**—The processing of meat and poultry. **Proceeds**—For inventory and plant expansion. **Office**—482 Austin Place, Bronx, N. Y. **Underwriter**—Finkle & Co., N. Y. (mgr.)

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Prospective Offerings

Adrian Steel Co.
June 30, 1961 it was reported that a "Reg. A" will be filed with the SEC shortly covering 100,000 common shares (par 50c). **Price**—$3. **Business**—Automotive fabricating. **Proceeds**—To establish a new industrial air conditioner division. **Office**—Adrian, Mich. **Underwriter**—Morrison & Frumin, Inc., Detroit.

Aluma-Rail, Inc.
Aug. 9, 1961 it was reported that a ("Reg. A") will be filed shortly covering 100,000 common shares. **Price**—$3. **Business** — The manufacture of new color anodized aluminum chain link fencing. **Proceeds**—For inventory and plant expansion. **Office**—44 Passaic Ave., Kearny, N. J. **Underwriter**—Omega Securities Corp., N. Y.

Baltimore Gas & Electric Co.
Aug. 30, 1961 it was reported that this company plans to issue about $25,000,000 of first mortgage bonds in the first half of 1962. **Office** — Lexington and Liberty Streets, Baltimore 3, Md. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co., and First Boston Corp. (jointly); Harriman Ripley & Co., Inc., and Alex. Brown & Sons (jointly).

Bay State Electronics Corp.
Aug. 2, 1961 it was reported that this company plans to file a registration shortly covering about 270,000 common shares to raise some $2,500,000. **Business**—Research, development and production of items in the fields of medical electronics, etc. **Proceeds** — For expansion and working capital. **Office**—43 Leon St., Boston, Mass. **Underwriter**—S. D. Fuller & Co., New York (managing).

• Best Plastic Corp.
July 25, 1961 it was reported that this company plans a full filing shortly covering 125,000 common. **Price**—$3. **Business** — The manufacture of plastic party favors for children. **Proceeds**—For expansion. **Office**—945 39th St., Brooklyn, N. Y. **Underwriter**—S. B. Cantor Co. (mgr.), N. Y. C.

Carbonic Equipment Corp.
June 28, 1961 it was reported that a "Reg. A" will be filed covering 100,000 common shares. **Price** $3. **Proceeds**—For expansion of the business. **Office**—97-02 Jamaica Ave., Woodhaven, N. Y. **Underwriter** — R. F. Dowd & Co., Inc.

Central Louisiana Electric Co., Inc.
Feb. 21, 1961 it was reported that the company is considering the issuance of $6,000,000 of bonds or debentures in the latter part of 1961. **Office** — 415 Main St., Pineville, La. **Underwriters**—To be named. The last issue of bonds on April 21, 1959 was bid on by Kidder, Peabody & Co. and Rauscher, Pierce & Co., Inc. (jointly); Salomon Bros. & Hutzler, and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Halsey, Stuart & Co., Inc.; White, Weld & Co.

• Consolidated Edison Co. of New York, Inc. (11/21)
Aug. 28, 1961 it was reported that this company plans to sell about $50,000,000 of first mortgage bonds due Nov. 1, 1991. **Office**—4 Irving Pl., N. Y. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Nov. 21, 1961 at 11 a.m. (EST). **Information Meeting**—Nov. 15 (10 a.m. EST) at the company's office.

Equitable Savings & Loan Association
Aug. 22, 1961 it was reported that about 255,000 shares of this firm's stock will be offered publicly in early September. Of the total, approximately 255,000 will be sold for the account of the company and 180,000 for certain stockholders. **Price**—To be determined. **Business**—A Savings and Loan Association with 13 offices in Oregon and Washington. **Office**—Portland, Ore. **Underwriter**—R. W. Pressprich & Co., New York City (managing). **Note**—The proposed offering is exempt from registration under terms of the Securities and Exchange Act of 1933.

★ First National Bank of Memphis (Tenn.)
Sept. 6, 1961 it was reported that this bank is offering its stockholders the right to subscribe for 150,000 additional common shares on the basis of one new share for each 5 shares held of record Aug. 25, with rights to expire Sept. 21. **Price**—$35. **Proceeds**—To increase capital funds. **Office**—127 Madison Ave., Memphis. **Underwriters**—Merrill, Lynch, Pierce, Fenner & Smith Inc., and Equitable Securities Corp. (co-mgrs.).

Georgia Bonded Fibers, Inc.
Sept. 14, 1960 it was reported that registration of 150,000 shares of common stock is expected. **Offices**—Newark, N. J., and Buena Vista, Va. **Underwriter**—Sandkuhl and Company, Newark, N. J., and N. Y. C.

Kansas Power & Light Co. (10/10)
Aug. 15, 1961 it was reported that this company plans to sell about $13,000,000 of debentures in October. **Office**—800 Kansas Ave., Topeka. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; Blyth & Co. Inc. **Bids**—Expected Oct. 10, 1961.

Lum's Inc.
Aug. 28, 1961 it was reported that this company plans to file a "Reg. A" shortly covering 100,000 class A common. **Price**—$1. **Business**—The operation of a specialized restaurant chain in Dade County, Fla. **Proceeds**—For expansion. **Office**—2302 Collins Ave., Miami Beach, Fla. **Underwriter**—Bayes, Rose & Co., Inc., N. Y.

Monterey Gas Transmission Co.
April 24, 1961 it was reported that Humble Oil & Refining Co., a subsidiary of Standard Oil Co. of New Jersey, and Lehman Brothers, had formed this new company to transport natural gas from southwest Texas to Alexandria, La., for sale to United Fuel Gas Co., principal supplier to other Columbia Gas System companies. It is expected that the pipeline will be financed in part by public sale of bonds. **Underwriter** — Lehman Brothers, New York City (managing).

Mutual Photocolor Laboratories, Inc.
Aug. 22, 1961 it was reported that this company plans to sell about $750,000 of common stock. **Business**—The development of pictures and the sale of photographic equipment and supplies. **Proceeds**—For expansion. **Office**—29-14 Northern Blvd., Long Island City, N. Y. **Underwriter**—Rodetsky, Kleinzahler, Walker & Co., Inc., Jersey City, N. J.

New England Power Co. (10/25)
Jan. 20, 1961 it was reported that this subsidiary of New England Electric System plans to sell $20,000,000 of first mortgage bonds. **Office**—441 Stuart St., Boston 16, Mass. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Kuhn, Loeb & Co.; Equitable Securities Corp., and Blair & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp.; Lehman Brothers. **Bids**—To be received on Oct. 25, 1961.

New World Laboratories, Inc.
Aug. 22, 1961 it was reported that a "Reg. A" will be filed shortly covering 100,000 common shares. **Price**—$3. **Business**—The manufacture of cosmetics. **Proceeds**—For purchase of equipment and inventory and general corporate purposes. **Office**—Washington, D. C. **Underwriter**—East Coast Investments Co., Washington, D. C.

• Pacific Northwest Bell Telephone Co. (11/15)
Aug. 25, 1961 in a registration statement filed with the SEC covering 17,459,490 common to be offered for subscription by stockholders of Pacific Telephone & Telegraph Co., parent, it was announced that Pacific Northwest plans to sell an additional 12,990,510 by June 30, 1964, and several issues of debentures to refund a $200,000,000 4½% demand note issued to Pacific Tel. & Tel. The first of such issues, in the amount of $50,000,000, is expected to be sold in Nov. **Office**—1200 Third Ave., Seattle, Wash. **Underwriters**—For the stock, none. For the debentures, to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; First Boston Corp. **Bids**—Expected Nov. 15.

• Panhandle Eastern Pipe Line Co.
March 8, 1961 it was reported that this company expects to sell about $72,000,000 of debentures in the late Fall, subject to FPC approval of its construction program. **Office**—120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder Peabody & Co., both of New York City (managing).

Penn Amusement Corp.
Aug. 22, 1961 it was reported that this company plans to file a "Reg. A" shortly covering 100,000 common shares. **Price**—$3. **Business**—The company furnishes mobile (truck) amusement rides for children. **Proceeds**—To operate a new type truck and set up national distributorships. **Office**—Brooklyn, N. Y. **Underwriter**—J. Laurence & Co., New York City.

Pittsburgh Steel Co.
Aug. 15, 1961 it was reported that this company plans to raise about $10,000,000 by sale of about 750,000 common shares to stockholders through subscription rights. **Proceeds**—For a capital improvement program. **Office**—1600 Grant Bldg., Pittsburgh 30, Pa. **Underwriter**—Kuhn, Loeb & Co., New York (managing).

Public Service Co. of Colorado
Aug. 22, 1961 it was reported that the previously announced plan to sell about $20,000,000 of common stock to stockholders through subscription rights had been postponed until about June 1962. **Office**—900 15th St., Denver, Colo. **Underwriter** — To be named. The last equity financing was handled on a negotiated basis by First Boston Corp.

• Public Service Electric & Gas Co. (10/17)
Aug. 15, 1961 it was reported that this company plans to sell $50,000,000 of debentures due Oct. 1, 1981 in October. **Office**—80 Park Place, Newark 1, N. J. **Underwriters**—(Competitive). Probable bidders: First Boston Corp.; Halsey, Stuart & Co. Inc.; White, Weld & Co., Blyth & Co. Inc., Goldman, Sachs & Co., and Harriman Ripley & Co., Inc. (jointly). **Bids**—Expected on or about Oct. 17 at 11 a.m. (EDST). **Information Meeting**—Oct. 11 (11 a.m. EDST) at Chase Manhattan Bank, (34th floor) One Chase Plaza, N. Y.

Radar Design Corp.
Aug. 22, 1961 it was reported that this company plans to sell about 15,000 common shares in the fiscal year ending June 30, 1962. **Business**—The company's products are used both as test instruments and as components in production of microwave systems. **Proceeds**—For working capital. **Office**—Pickard Drive, Syracuse, N. Y. **Underwriter**—The last public offering of stock in Dec. 31, 1960 was not underwritten.

Rochester Gas & Electric Corp. (11/14)
Aug. 15, 1961 the company stated it plans to issue about $15,000,000 of 30-year bonds in November. **Proceeds**—For construction. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Brothers & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc., The First Boston Corp. **Bids**—Expected Nov. 14 at 11 a.m. (EST).

Dividend Advertising Notices Appear on Page 16.

Servonuclear Corp.
Aug 9, 1961 it was reported that a ("Reg. A") will be filed shortly covering 100,000 common shares. **Price**—$2. **Business**—The manufacture of medical electronic equipment. **Proceeds**—For expansion. **Office**—28-21 Astoria Boulevard, Long Island City, N. Y. **Underwriter**—Omega Securities Corp., New York.

Shenk Industries, Inc.
Aug 22, 1961 it was reported that this company plans to sell about $750,000 of common stock. **Business**—The re-manufacture and distribution of automobile parts. **Proceeds**—For the repayment of loans and expansion. **Office**—Columbus, O. **Underwriter**—Rodetsky, Kleinzahler, Walker & Co., Inc., Jersey City, N. J.

★ Silo Discount Centers
Sept. 6, 1961 it was reported that company plans to sell about $1,000,000 of common stock. **Business**—The operation of a chain of hard goods, discount department stores. **Office** — Philadelphia, Pa. **Underwriter** — Rodetsky, Kleinzahler, Walker & Co., Jersey City.

Subway Bowling & Recreation Enterprises, Inc.
Aug. 22, 1961 it was reported that this company plans to sell about $1,200,000 of common stock. **Business**—The company has an exclusive franchise from the City of New York to build bowling and recreation centers in the subways. **Proceeds**—To build the first three centers. **Office**—New York City. **Underwriter**—Rodetsky, Kleinzahler, Walker & Co., Inc., Jersey City.

Teeco Automated Systems, Inc.
Aug. 9, 1961 it was reported that a ("Reg. A") will be filed shortly covering 100,000 common shares. **Price**—$3. **Business**—The custom, design, manufacture and installation of automated material handling systems for large wholesale and retail establishments and industry. **Proceeds** — For expansion. **Office** — 42-14 Greenpoint Avenue, Long Island City, N. Y. **Underwriter**—Omega Securities Corp., New York.

Trunkline Gas Co.
March 8, 1961 it was reported that this subsidiary of Panhandle Eastern Pipe Line Co., expects to sell about $32,000,000 of bonds and $10,000,000 of preferred stock this Fall. **Office** — 120 Broadway, New York City. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co., both of New York City (managing).

Valley Forge Industries, Inc.
Aug. 22, 1961 it was reported that this company plans to sell about $750,000 of common stock. **Business**—The manufacture of specialty automobile parts and high speed machinery. **Proceeds** — For expansion. **Office**—Brooklyn, N. Y. **Underwriter**—Rodetsky, Kleinzahler, Walker & Co., Jersey City, N. J.

★ Valtronic Corp.
Sept. 6, 1961 it was reported that a "Reg. A" will be filed shortly covering 62,500 common shares. **Price**—$4. **Business**—The design, engineering and manufacture of medical and dental equipment. **Proceeds**—For expansion. **Office**—375 Walton Ave., Bronx, N. Y. **Underwriters**—Cacchione & Smith, Inc., and Fred F. Sessler & Co., N. Y.

Vector Engineering Inc.
Aug. 9, 1961 it was reported that a full registration will be filed shortly covering 100,000 common shares. **Price**—$6. **Business** — Engineering and design services, the development of electromechanical and electronic devices for industry and the Federal Government, and the preparation of technical publications. **Proceeds**—For expansion. **Office**—155 Washington Street, Newark, N. J. **Underwriter**—Omega Securities Corp., New York.

Virginia Electric & Power Co. (12/5)
March 23, 1961, the company announced plans to sell $15,000,000 of securities, possibly bonds or debentures. **Office** — Richmond 9, Va. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Eastman Dillon, Union Securities & Co.; Salomon Brothers & Hutzler; Goldman, Sachs & Co. **Bids**—To be received on Dec. 5, 1961.

• West Penn Power Co. (3/5)
Feb. 10, 1961, J. Lee Rice, Jr., President of Allegheny Power System, Inc., parent company, stated that West Penn expects to sell about $25,000,000 of bonds in 1962. **Office** — 800 Cabin Hill Drive, Hempfield Township, Westmoreland County, Pa. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; W. C. Langley & Co.; Lehman Brothers; Eastman Dillon, Union Securities & Co., and First Boston Corp. (jointly); Harriman Ripley & Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly). **Bids**—Expected March 5, 1962.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—American Telephone & Telegraph Company, the big, well-run, investor-owned corporation with approximately 2,000,000 stockholders, is having its bell-ringing ears boxed. There is apprehension in some quarters on Capitol Hill that AT&T may carve itself a monopolistic position in the space communications field.

Even before 35 members of Congress, all Democrats, wrote President Kennedy a letter recently to the effect that they see dangers of a monopoly in the space communications field, the Anti-Trust Division of the Department of Justice was eyeing the biggest corporation of them all with revenues of $7.9 billion in 1960, and perhaps $8 billion in 1961.

The opposition in Washington that has cropped up this year is, not to damage the company or the stock of the "widows and orphans," as it has been referred to on occasion, but to try and keep it from getting allegedly bigger and bigger, particularly in the nation's satellite communications system.

Perhaps one of the foremost opponents of the American Telephone and Telegraph Company in Washington is Senator Russell B. Long of Louisiana. Russell Long's father, Huey P. Long, who was Governor and Senator from Louisiana, helped to carve himself a reputation as a hard-hitting lawyer in opposing a rate increase in Louisiana by Southern Bell Telephone and Telegraph Company, one of the company's of the Bell system.

Even today the Bell Company has met a barrier against proposed rate increases in Louisiana because of the victory Huey Long rolled up more than 30 years ago. At any telephone booth in Louisiana you can still make a telephone call for a nickel. The telephone company maintains that the lower rates in Louisiana do not provide a fair return on its investment and is a stumbling block to expansion. The Public Service of Louisiana insists that the intrastate rates are sufficient for a fair and equitable return.

Company Paved the Way

AT&T, which has done a tremendous amount of research for the good of subscribers, last year took it on itself to start private development of a communications-satellite system. It was encouraged to do so by the National Aeronautics & Space Administration and the Federal Communications Commission.

It is because of its pioneering in an area which potentially involves many billions of dollars in returns in the years ahead, that the Justice Department, members of Congress and competitors of AT&T, such as RCA, Philco, General Electric and numerous others, stepped in.

Now there is an FCC-industry committee trying to come up with some kind of reasonable answer pertaining to the ownership-control problem by Oct. 13. It is not an easy solution.

Despite the controversy, AT&T and the National Aeronautics and Space Administration is driving ahead with plans to launch a series of experimental satellites sometime in 1962.

Little more than a year ago AT&T filed a report with the FCC and requested the regulatory agency for the allocation of frequencies for space communications, and projected a plan for a world-wide telephone and television hookup using about 50 satellites in low polar orbits. Subsequently, NASA called for the development of a space communications system by private industry.

Monopoly Charge

The American Telephone & Telegraph Company promptly announced plans to launch its first satellite within a year and petitioned the FCC on Oct. 21 for allocation of two radio frequencies and a permit to build a new ground station at Holmdel, N. J., for use in the experimental station. The AT&T application was granted on Jan. 19, the day before President Eisenhower turned the White House over to President Kennedy.

Less than a month ago a Senate subcommittee on monopoly, headed by Senator Russell Long, conducted hearings on the role of competition in space communications and ownership and operation of a commercial satellite communications system.

At the time Senator Long charged that the Federal Communications Commission has "helped to create this great monopoly." FCC commissioners denied this contention. Commissioner T. A. Craven assured the Senate Subcommittee that the earliest possible realization of satellite communications for use by the public will demonstrate to the world our leadership in the application of space science to peaceful and useful ends.

It was brought out that, although the AT&T now has a practical monopoly on all overseas telephone traffic, it represents less than 2% of the company's volume of business.

Chairman Newton N. Minow of the FCC said at the hearing that the interstate rates of the Bell Systems in this country are cheaper than Intrastate rates.

Senator Long said that the cheaper interstate rates probably means that the FCC has done a better job in holding down rates than some of the state regulatory agencies which have jurisdiction over the rates within their respective states.

Benefits of Automation

Incidentally, FCC records show that the number of AT&T telephones in service per employee has greatly increased since 1946. In 1946 the Bell operating companies had an average of about 393,734 employees and 23,754,910 telephones or 60 telephones per employee. In 1959 the average number of employees was 579,871 and the average number of telephones was slightly more than 58,000,000 or more than 100 telephones per employee.

Thus it is apparent that automation in the Bell System is increasing. The companies are chalking up savings in the number of employees while paying higher wages and salaries.

Meantime, as a squabble has cropped up on TV and telephone satellites, Chairman Craven of FCC says flatly that all information now available to the Commission indicates that domestic point-to-point telephone communication service for the foreseeable future can be furnished more cheaply by conventional means than using satellite relay.

Therefore, the only domestic use of a satellite system which we now foresee is the remote possibility of using idle satellite system capacity, probably during off-peak hours.

The FCC insists that it has left the door open for any future satellite carrier into space to come in and see what it can do in the space communications field. Meantime, AT&T is ahead so far, but there is a campaign underway to beat down the 22 Bell operating companies.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

"Don't be misled by his bulging portfolio—He's got his laundry inside!"

COMING EVENTS

IN INVESTMENT FIELD

Sept. 7-8, 1961 (Chicago, Ill.)
Municipal Bond Club of Chicago 25th Annual Field Day (Chicago Waterways Cruise, Sept. 7; Field Day Sept. 8th at Elmhurst Country Club).

Sept. 8, 1961 (Cleveland, Ohio)
Northern Ohio Group of Investment Bankers Association meeting.

Sept. 13, 1961 (Denver, Colo.)
Rocky Mountain Group Investment Bankers Association meeting.

Sept. 13, 1961 (New York City)
George E. Rieber Testimonial Dinner in the main ballroom of the Waldorf-Astoria.

Sept. 14-15, 1961 (Cincinnati, Ohio)
Cincinnati Municipal Dealers Group annual fall outing at Queen City Club and Kenwood Country Club.

Sept. 15-17, 1961
Pacific Northwest Group of Investment Bankers Association, meeting at Hayden Lake, Idaho.

Sept. 20-21, 1961 (Omaha, Neb.)
Nebraska Investment Bankers Association annual field day.

Sept. 21-22 (Atlanta, Ga.)
Georgia Security Dealers Association annual summer outing.

Sept. 27, 1961 (New York City)
Association of Customers Brokers annual dinner at the Waldorf Astoria.

Sept. 29, 1961 (Philadelphia, Pa.)
Bond Club of Philadelphia 36th annual field day at the Philmont Country Club, Philmont, Pa.

Oct. 3, 1961 (Detroit, Mich.)
Bond Club of Detroit Annual Fall Outing at Lochmoor Country, Grosse Pointe Woods, Mich.

Oct. 4, 1961 (New York City)
New York Group of Investment Bankers Association annual dinner and meeting at the Waldorf-Astoria Hotel.

Oct. 7, 1961 (New York City)
Security Traders Association of New York annual dinner dance at Hotel Commodore.

Oct. 9-10, 1961 (Denver, Colo.)
Association of Stock Exchange Firms, Fall meeting of Board of Governors at the Brown Palace Hotel.

Oct. 9-12, 1961 (Rochester, N. Y.)
National Association of Bank Women Annual Convention at the Sheraton Hotel.

Oct. 10, 1961 (Toronto)
Canadian Group of Investment Bankers Association meeting.

Oct. 13, 1961 (Montreal, Canada)
Canadian Group of Investment Bankers Association meeting.

Oct. 13-15, 1961 (White Sulphur Springs, W. Va.)
Southeastern Group of Investment Bankers Association meeting.

Oct. 15-18, 1961 (San Francisco, Calif.)
American Bankers Association annual convention.

Oct. 16-20, 1961 (Palm Springs, Calif.)
National Security Traders Association Annual Convention at the Palm Springs Riviera Hotel.

Oct. 17, 1961 (Detroit, Mich.)
Michigan Group of Investment Bankers Association meeting.

Oct. 19, 1961 (Pennsylvania)
Western Pennsylvania Group of Investment Bankers Association meeting at Rolling Rock, Pa.

October 20-21, 1961 (Milwaukee, Wis.)
National Association of Investment Clubs 11th annual national convention at the Hotel Schroeder.

Oct. 24, 1961 (Minneapolis-St. Paul)
Minnesota Group of Investment Bankers Association annual meeting.

Oct. 26, 1961 (Louisville, Ky.)
Ohio Valley Group of Investment Bankers Association annual meeting.

Nov. 26-Dec. 1, 1961 (Hollywood, Fla.)
Investment Bankers Association Annual Convention at Hollywood Beach Hotel and the Diplomat Hotel.

Dec. 4-5, 1961 (New York City)
National Association of Mutual Savings Banks 15th annual mid-year meeting.

April 8-10, 1962 (San Antonio, Tex.)
Texas Group of Investment Bankers Association of America, annual meeting at the St. Anthony Hotel.

May 6-9, 1962 (Seattle, Wash.)
National Association of Mutual Savings Banks 42nd annual conference at the Olympic Hotel.

Sept. 23-26, 1962 (Atlantic City, N. J.)
American Bankers Association annual convention.

April 27-May 1, 1963 (Boston, Mass.)
National Association of Mutual Savings Banks 43rd annual conference at the Hotel Statler.

Forms Future Securities

GREENSBORO, N. C. — R. Max Weethee is conducting a securities business from offices at 3132 Battleground Road under the firm name of Future Securities.

Form Mutual Funds Inc.

DENVER, Colo. — Mutual Funds Incorporated has been formed with offices at 216 Clayton Street to engage in a securities business. Officers are James P. Fellows, President; George A. Holley, Vice-President; and N. H. Fellows, Secretary-Treasurer.